

A G E N D A

UTAH BOARD OF WATER RESOURCES

Utah Department of Natural Resources
1594 W. North Temple
Salt Lake City, Utah

December 12, 2003

10:00 a.m.

I. CALL TO ORDER

II. APPROVAL OF MINUTES - October 31, 2003

III. CHAIR'S REPORT

IV. FEASIBILITY REPORTS

County

E115 The Dammeron Corp.
E118 Town of Springdale
E119 South Willard Water Co.

Washington
Washington
Box Elder

V. COMMITTAL OF FUNDS

E123 Davis & Weber Counties Canal Co.

Weber

VI. SPECIAL ITEMS

D889 Downs Ditch Water Co. (Withdrawal)
D968 Kanab Irr. Co. (Reauthorization)
E040 Mountain Regional Water SSD (Withdrawal)
N226 New Escalante Irr. Co. (Amendment)
Draper Irr. Co. (Release of Water Right)

Weber
Kane
Summit
Garfield
Salt Lake

VII. DIRECTOR'S REPORT

VIII. OTHER ITEMS

IX. NEXT BOARD MEETING- January 30, 2004 - Salt Lake City

X. ADJOURNMENT

BRIEFING MEETING AGENDA

UTAH BOARD OF WATER RESOURCES

Division of Water Resources
Room 314
1594 W. North Temple
Salt Lake City, Utah

December 12, 2003

8:00 a.m.

- | | | |
|------|------------------------|----------------|
| I. | WELCOME/CHAIR'S REPORT | Chairman Riley |
| II. | DISCUSSION OF PROJECTS | Board/Staff |
| III. | OTHER ITEMS | |

BOARD OF WATER RESOURCES

Revolving Construction Fund

Funding Status

December 12, 2003

Funds Available for Projects This FY \$ 6,709,000

Projects Contracted This FY

1 Marion Waterworks Co	E053		\$	320,000	
2 Lake Shore Irr Co	E106			141,000	
3 Pioneer Land & Irr Co	E107			90,000	
4 Bear River Canal Co	E097			656,000	
5 Consolidated Sevier Bridge Res Co	C023	Grant	**	3,625,000	
6 New Escalante Irr Co (Wide Hollow Dam)	C030	Grant	**	275,000	
Contracts for Dam Safety Studies				<u>10,000</u>	
Total Funds Contracted					\$ 5,117,000
Funds Balance					\$ 1,592,000

Projects with Funds Committed

1 Porcupine Highline Canal Co	E062		\$	112,000	
2 Kays Creek Irr Co (Adams Dam) Amd	C001	Grant	**	4,000	
Commitments for Dam Safety Studies				<u>136,000</u>	
Total Funds Committed					\$ 252,000
Funds Balance					\$ 1,340,000

Projects Authorized

1 North Canyon Irr Co	D955		\$	315,000	
2 Deseret Irr Co	E056			432,000	
3 West Panguitch Irr & Res Co	E105			137,000	
* 4 Kanab Irr Co	D968			377,000	
* 5 The Dammeron Corp	E115			310,000	
* 6 South Willard Water Co	E119			<u>373,000</u>	
Total Funds Authorized					\$ 1,944,000
Remaining Funds Available					\$ (604,000)

* To be presented at Board Meeting

** Dam Safety Projects

BOARD OF WATER RESOURCES

Cities Water Loan Fund

Funding Status

December 12, 2003

Funds Available for Projects This FY	\$ 2,158,000
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Bonds Closed This FY

1	\$ -
Total Bonds Closed	\$ -
Funds Balance	\$ 2,158,000

Projects with Funds Committed

1 Johnson Water District	E070	\$ 396,000
2 Trenton Town	L534	1,304,000
Total Funds Committed		\$ 1,700,000
Funds Balance		\$ 458,000

Projects Authorized

1	\$ -
Total Funds Authorized	\$ -
Remaining Funds Available	\$ 458,000

* To be presented at Board Meeting

BOARD OF WATER RESOURCES

Conservation & Development Fund

Funding Status

December 12, 2003

Funds Available for Projects This FY **\$ 16,129,000**

Projects Contracted/Bonds Closed This FY

1 Wolf Creek Water Conservancy Inc.	E089	\$ 611,000
2 Davis & Weber Counties Cnl Co (Ph 4)	E112	545,000
3 Centerville City	L544	1,142,000
4 Taylor-West Weber WID	E095	825,000
5 City of South Jordan (Bond Ins)	E114	130,000
6 Hooper Irr Co (Press Irr, Ph 1 Amend)	E060	<u>1,402,000</u>

Total Funds Contracted/Closed	<u>\$ 4,655,000</u>
Funds Balance	<u>\$ 11,474,000</u>

Projects with Funds Committed

1 Town of Brian Head	L541	\$ 1,700,000
2 Lake Creek Irr Co (Ph 1)	E102	22,500
3 City of Cedar Hills	E099	31,200
4 Magna Water Co an Improve Dist (Amend)	E068	360,000
5 Mountain Regional Water SSD (Bond Ins)	E117	350,000
* 6 Davis & Weber Counties Cnl Co	E123	<u>2,735,000</u>

Total Funds Committed	<u>\$ 5,199,000</u>
Funds Balance	<u>\$ 6,275,000</u>

Projects Authorized

1 Uintah WCD (Red Wash)	D730	\$ 1,940,000
2 Washington County WCD (Ivins)	D925	1,390,000
3 Strawberry High Line Canal Co	D976	3,187,000
4 Center Creek Culinary Water Co	E020	450,000
5 Uintah WCD (Island Ditch)	E036	720,000
6 New Santa Clara Field Canal Co	E069	930,000
7 Ephraim Irr Co	E061	1,155,000
8 Richland Nonprofit Water Co	E087	335,000
9 Lake Creek Irr Co (Ph 2)	E102	300,000
10 Tropic & East Fork Irr Co	E104	820,000
11 West Point City	L546	410,000
12 Centerfield Town	L547	255,000
* 13 Town of Springdale	E118	<u>850,000</u>

Total Funds Authorized	<u>\$ 12,742,000</u>
Remaining Funds Available	<u>\$ (6,467,000)</u>

* To be presented at Board Meeting

BOARD OF WATER RESOURCES

December 12, 2003

ADDITIONAL ACTIVE PROJECTS			Fund	Est. Board Cost	Total Cost
Authorized or Committed Projects					
1 Davis & Weber Counties Cnl Co (Ph 4)	D674	C&D		\$ 10,379,000	\$ 12,211,000
2 Central Utah WCD (Prepay FY98,99,00)	D960	C&D		3,000,000	3,000,000
3 Weber Basin WCD (Secondary Irr, Ph 3-5)	E029	C&D		27,721,000	32,613,000
4 Davis & Weber Counties Cnl Co(Cnl Rehab)	E035	C&D		15,497,000	18,232,000
5 Hooper Irr Co (Press Irr, Ph 2-4)	E060	C&D		12,495,000	14,700,000
Subtotal				\$ 69,092,000	\$ 80,756,000
Projects Under Investigation					
1 Keith Johnson	D996	RCF		\$ 37,500	\$ 50,000
2 Mayfield Irr Co	E067	RCF		187,500	250,000
3 Rock Dam Irr Co	E083	RCF		37,500	50,000
* 4 Laketown Irr Co	E120	RCF		17,250	23,000
5 Woodruff Irrigating Co	D680	C&D		600,000	800,000
6 Kane County WCD	D828	C&D		1,500,000	2,000,000
7 Uintah WCD (Leota Bench)	D944	C&D		750,000	1,000,000
8 Gunnison Butte Mutual Irr Co	E004	C&D		10,500,000	14,000,000
9 City of South Jordan (Secondary Irr)	E034	C&D		2,253,000	3,004,000
10 Hyrum Blacksmith Fork Irr Co	E047	C&D		1,230,000	1,640,000
11 East Juab County WCD	E071	C&D		375,000	500,000
12 New Escalante Irr Co	E077	C&D		5,625,000	7,500,000
13 Ferron Canal & Res Co	E082	C&D		2,625,000	3,500,000
14 Whiterocks Irr Co	E084	C&D		1,500,000	2,000,000
15 Logan, Hyde Park, Smithfield Canal Co	E096	C&D		1,301,250	1,735,000
16 Newton Water Users Association	E100	C&D		1,001,250	1,335,000
17 Town of Goshen	E109	C&D		158,000	320,000
18 Weber-Box Elder Conservation Dist	E113	C&D		9,750,000	13,000,000
* 19 Parowan City	E121	C&D		158,250	211,000
* 20 Holliday Water Co	E122	C&D		3,000,000	4,000,000
Subtotal				\$ 42,606,500	\$ 56,918,000
TOTAL				\$ 111,698,500	\$ 137,674,000

* New Applications

INACTIVE PROJECTS

Long Term Large Water Conservation Projects

1 Sanpete WCD (Narrows Dam)	D377
2 Wayne County WCD	D494
3 Cedar City Valley Water Users	D584
4 Bear River WCD	D738
5 Upper Sevier River WCD	E098

BOARD OF WATER RESOURCES

Feasibility Report

Revolving Construction Fund

Appl. No.: **E-115**

Received: 8/28/03

Approved: 9/19/03

To be Presented at the December 12, 2003 Board Meeting

SPONSOR: **DAMMERON VALLEY WATER WORKS
(THE DAMMERON CORPORATION)**

President: Brooks Pace

LOCATION: The proposed project is located approximately 15 miles north of St. George in Washington County.

EXISTING CONDITIONS & PROBLEMS: The sponsor currently supplies culinary water, through a system rated "Approved" by the Division of Drinking Water, to about 250 residential and one commercial connection. Water is used both indoors and outdoors; the amount of residential property being irrigated, plus pastures receiving sponsor water, totals 55 acres. Water is supplied by two wells producing 550 gpm and 250 gpm. The smaller well is used as a backup in winter and to help meet peak demands in summer. This past summer, due to lowered groundwater, the sponsor lowered the pump bowls in the main well 20 feet in order to continue water service, which is as low as they can go. More distant, third and fourth wells exist but are not used because the 31 year-old steel pipeline between them and the distribution system is significantly deteriorated.

Storage consists of two 250,000 gallon concrete tanks, which is adequate for current needs but not future demands (at buildout there will be double the connections there are now).

PROPOSED PROJECT: The sponsor is requesting financial assistance from the board to increase both its water supply and storage capacity. It is presently drilling a test

well northeast of the two active wells which, if successful, will be developed into a production well if the board authorizes the project. If unsuccessful, the sponsor will activate one of the distant wells and replace the deteriorated steel transmission pipeline with about two miles of 8-inch PVC. Storage capacity will be increased through construction of a 250,000 gallon concrete tank. Technical assistance is being provided by Rosenberg Associates in St. George.

The project fits in Prioritization Category 2 (municipal project required to meet existing or impending need).

COST ESTIMATE:

The following cost estimate includes the new well water supply option, is based on the engineer's preliminary design, and has been reviewed by staff (if the new test well is unsuccessful and the two-mile transmission line is installed instead, any cost changes will be addressed when funds are committed):

<u>Item</u>	<u>Description</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Amount</u>
1.	Well	LS	\$ 120,000	\$ 120,000
2.	Power & Transformer	LS	4,900	4,900
3.	8-inch PVC Connecting Pipeline	1,800 LF	16.00	28,800
4.	SCADA System	LS	16,000	16,000
5.	Wellhead Protection Plan	LS	4,800	4,800
6.	250,000 Gal. Tank	LS	150,000	<u>150,000</u>
	Construction Cost			\$ 324,500
	Contingencies			32,500
	Legal and Administrative			10,500
	Design and Construction Engineering			<u>20,500</u>
	TOTAL			\$ 388,000

COST SHARING
& REPAYMENT:

The recommended cost sharing and repayment are:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$ 310,000	80%
Sponsor	<u>78,000</u>	<u>20</u>
Total	\$ 388,000	100%

If the board authorizes the project, it is suggested it be purchased in approximately 10 years at 0% interest with the following annual payments:

<u>Payment No.</u>	<u>Amount</u>
1	\$19,000
2	20,000
3	22,000
4	23,000
5	25,000
6	26,000
7	28,000
8	47,000
9	49,000
10	51,000±

FINANCIAL
FEASIBILITY:

Based on the board's water service affordability guidelines, Dammeron Valley residents could pay up to \$56.28 monthly for water. The cost of water with the proposed project, based on 259 projected connections when the first annual payment is due, is as follows:

	<u>Annual Cost</u>	<u>Cost/Conn/Mo</u>
Operation & Maintenance*	\$ 131,000	\$42.15
Existing BWRe Assistance (thru 2011)	20,000	6.44
Proposed BWRe Assistance	<u>19,000</u>	<u>6.11</u>
TOTAL	\$ 170,000	\$54.70

*Includes additional \$19,000 estimated to pump water from new well and maintain additional pipe and tank in the system.

The sponsor currently charges \$25.00 monthly year-round for the first 20,000 gallons. Depending on lot size, connectors are then allowed to use the next 4,000, 16,000, or 28,000 gallons at an average rate of \$1.25 per thousand. The sponsor has also sold irrigation shares to some property owners who pay \$0.20 per thousand during the eight warmer months of the year and can use up to 40,000 gallons/month/share; irrigation customers must first use their total culinary allotment before the irrigation rate applies. Once the culinary and irrigation allotments are used, an overage rate of \$1.50 per thousand applies. Lots purchased but not yet built on (about 90) are charged \$10 monthly.

The sponsor plans to raise rates to pay for the project.

BENEFITS: The project will provide the sponsor adequate water supply and storage for future needs.

PROJECT SPONSOR: The Dammeron Corporation DBA Dammeron Valley Water Works, a for-profit corporation, was incorporated in 1975. According to the state Department of Commerce, while the Dammeron Corporation is presently registered in good standing, the water works failed to renew its registration in 1999 and is expired. Corporate stock is not owned by the water users, but by several individuals.

In 1975 the Dammeron Corporation purchased land within the valley and began subdividing it. The board provided about \$315,000 in 1993 to help the sponsor build its two concrete tanks, upgrade and reequip one of its wells, and replace some deteriorated steel transmission pipeline with PVC. That assistance is being returned with annual payments of \$20,000 at 0% interest through 2011.

WATER RIGHTS & SUPPLY: The sponsor's water rights (which will also cover water from the proposed well) are:

<u>Source</u>	<u>Right No.</u>	<u>Volume (acre-feet)</u>
Wells		
Culinary	81-2276	200
Irrigation	81-2715	163.76
Irrigation	81-1487	75.85/81.85*
Irrigation	81-2167	11.062/20.06*

*The Dammeron Corp. owns the amount of water listed first; the second number represents the total amount of the right. The rights are used in the system but are held jointly by the sponsor and various users.

The first three rights listed, plus 2.95 acre-feet of the fourth, are in the name of the board.

Excess water produced by the proposed well will be used to irrigate about 40 additional acres (at \$0.20/1,000 gallons) in Dammeron Valley until the water is needed for future development.

EASEMENTS: In addition to easements required for tank, well, and connecting pipeline installation, about 800 feet will be needed to extend power to the new well.

ENVIRONMENTAL: Some excavation and earthwork will be required to build the tank and install the pipeline, but no long-term environmental damage is anticipated.

WATER
CONSERVATION: The division will work with the sponsor as it establishes new water rates to not only help pay for the project, but also encourage conservation.

SPONSOR'S
RESPONSIBILITIES: If the board authorizes the proposed project, the sponsor must do the following before construction can begin:

1. Become legally incorporated with the state Department of Commerce.
2. Obtain approval of State Engineer to divert water from the proposed well.
3. Obtain all easements, rights-of-way, and permits required to construct, operate, and maintain the project.
4. Pass a resolution by the appropriate (as defined in the sponsor's Articles of Incorporation and Bylaws) majority of organization stock authorizing its officers to do the following:
 - a. Assign properties and easements required for the project to the Board of Water Resources.
 - b. Enter into a contract with the Board of Water Resources for construction of the project and subsequent purchase from the Board.
5. Have an attorney give the Board of Water Resources a written legal opinion that:
 - a. The sponsor is legally incorporated for at least the term of the purchase contract and is in good standing with the state Department of Commerce.
 - b. The sponsor has legally passed the above resolution in accordance with the requirements of state law and the sponsor's Articles of Incorporation and Bylaws.
 - c. The sponsor has obtained all permits required for the project.

6. Have an attorney give the Board of Water Resources a written legal opinion that the sponsor owns all easements and rights-of-way for the project, as well as the land on which the project is located, and that title to these easements, rights-of-way, and the project itself can be legally transferred to the Board.

In lieu of an attorney's opinion, the sponsor may obtain a title insurance policy in the name of the Board of Water Resources for the easements, rights-of-way and land necessary for the project.

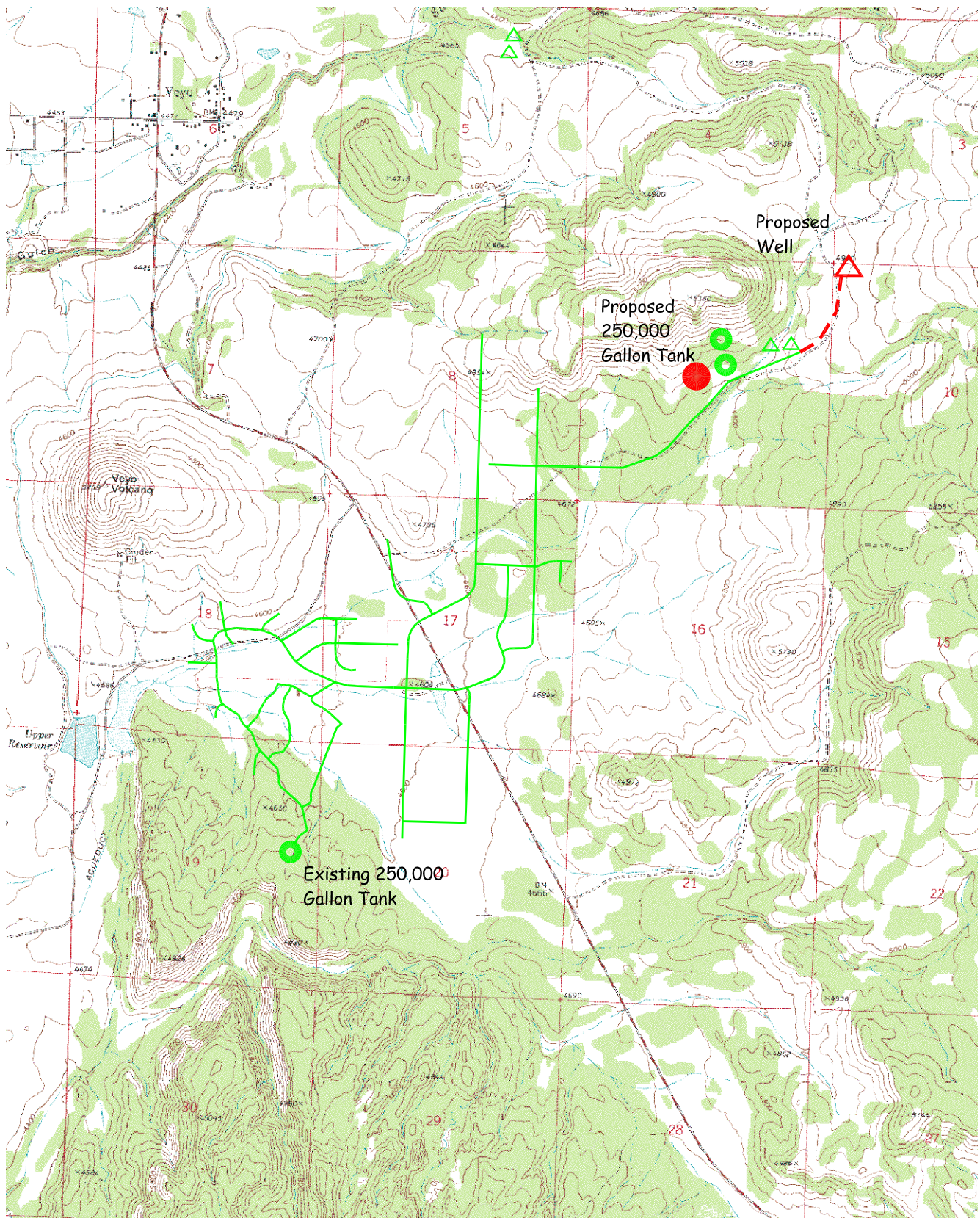
7. Send notices to all water users explaining the project, its costs, and rate increases needed to repay the board's assistance, and inviting the users to respond as to whether or not they're in favor of the project and to add any comments they have regarding it.

8. Obtain approval of final plans and specifications from the Division of Water Resources and the Division of Drinking Water.

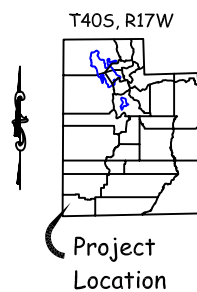
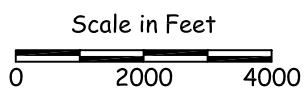
9. Prepare a water management and conservation plan for its service area, and obtain approval of it from the Division of Water Resources.







PROJECT
CONTACT
PEOPLE:

President:	Brooks Pace 1 Dammeron Valley Drive East Dammeron Valley, UT 84783 Phone (435) 680-2295
Engineer:	Rosenberg Associates 352 East Riverside Drive St. George, UT 84790 Phone: (435) 673-8586



DAMMERON VALLEY WATER WORKS
Proposed Water System Improvements
Washington County



-  Proposed Well
-  Proposed Water Tank
-  Existing Water Tanks
-  Existing Wells
-  Proposed Pipeline
-  Existing Pipeline

BOARD OF WATER RESOURCES

Feasibility Report

Conservation and Development Fund

Appl. No.: **E-118**
Received: 10/9/03
Approved: 10/31/03

To be Presented at the December 12, 2003 Board Meeting

SPONSOR: **TOWN OF SPRINGDALE**

Mayor: Bruce M. VanderWerff

LOCATION: The proposed project is located in Springdale, near the southern entrance to Zion National Park in Washington County.

EXISTING CONDITIONS & PROBLEMS: The town provides culinary water to 203 residential and 87 non-residential connections through a system rated "Approved" by the Division of Drinking Water. Pressurized irrigation water is provided to most residences as well as several agricultural users through a separate system installed and owned by Springdale Consolidated Irrigation Company. The town operates and maintains the irrigation system, with an agreement in place to take over its ownership when the irrigation company makes final payment to the board in 2014.

Water for both systems is diverted from the Virgin River and pumped through a common pipeline to a settling pond where it either flows to the town's 400 gpm (0.58 MGD) culinary water treatment plant or into the irrigation system. Due to the relatively small size of the pond (one million gallons, or three acre-feet), water is not detained long enough during heavy use periods to allow river sediments to adequately settle out, decreasing water quality and overloading the treatment plant.

Conservation efforts prohibiting outside watering from 11:00 a.m. to 7:00 p.m. have compounded the problem because the pond capacity is inadequate to store much irrigation water for later use; dividing

the town into irrigation zones and allowing users (including agricultural) to water only on specific days has eased the problem somewhat.

Continuing growth is requiring more of the limited Virgin River water to be used for culinary purposes, reducing the amount available for irrigation. The town owns water rights to two other water sources, Big Springs well and Hummingbird Lane well, which have been used in the culinary system but were taken out of service due to quality issues.

PROPOSED
PROJECT:

The town is requesting financial assistance from the board to improve both the culinary and irrigation water systems by:

Enlarging the existing settling pond to three million gallons and lining it with concrete

Installing pipeline to connect the pond to the treatment plant

Installing pipeline to connect the Big Springs well to the irrigation system

Co-mingling Hummingbird well water with higher quality (lower dissolved solids) river water for culinary use after treatment

Rehabilitating pump stations at the two well sites

Installing telemetry on both the culinary and irrigation systems

Technical assistance is being provided by Alpha Engineering in St. George.

The project fits in Prioritization Category 2 (municipal project required to meet existing or impending need).

COST ESTIMATE:

The following cost estimate is based on the engineer's preliminary design and has been reviewed by staff:

<u>Item</u>		<u>Quantity</u>	<u>Unit Price</u>	<u>Amount</u>
	<u>Description</u>			
1.	Mobilization	LS	\$35,000	\$35,000
2.	Settling Pond	LS	485,000	485,000
3.	PVC Pipe			
	a. 12-inch	870 LF	18.00	15,660
	b. 6-inch	950 LF	10.00	9,500
4.	Valves & Fittings	LS	8,000	8,000
5.	Street Repair	LS	30,000	30,000
6.	Pump Stations	LS	60,000	60,000
7.	Telemetry	LS	100,000	<u>100,000</u>
Construction Cost				\$743,160
Contingencies				74,840
Legal and Administrative				17,000
Design and Construction Engineering				<u>110,000</u>
TOTAL				\$945,000

**COST SHARING
& REPAYMENT:**

The recommended cost sharing and repayment are:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$850,000	90%
Sponsor	<u>95,000</u>	<u>10</u>
TOTAL	\$945,000	100%

If the board authorizes the project, it is suggested the bonded indebtedness of \$850,000 be repaid in 18 years at 1% interest with approximate annual payments as follows (includes reserves):

<u>Year</u>	<u>Payment</u>	<u>Year</u>	<u>Payment</u>
2005	\$ 9,500	2014	37,700
2006	29,900	2015	85,500
2007	30,800	2016	87,400
2008	31,700	2017	89,600
2009	32,500	2018	92,800
2010	33,400	2019	94,900
2011	35,200	2020	98,000
2012	36,100	2021	102,000
2013	36,900	2022	104,000

Payments increase as existing loans are paid off and to parallel the town's 3% annual growth rate projected by the Governor's Office of Planning and Budget.

ECONOMIC
FEASIBILITY:

There appears to be no feasible alternative to enlarging the settling pond. Although other sources of water exist (such as purchasing water from Washington County Water Conservancy District and installing a system to deliver it), they are highly infeasible when compared to the proposed project. A benefit/cost ratio of 1.0 has therefore been assumed.

FINANCIAL
FEASIBILITY:

Based on the board's water service affordability guidelines, Springdale residents could pay up to \$27.55 monthly for all water.

Due to the large volume of tourism (around 2.5 million visitors annually), residential and commercial connections have different water rates as shown below. Annual revenue from commercial connections is over three times that from residential. An average monthly residential water bill last year was \$24.21.

Most town culinary connectors also own a share or partial share of Springdale Consolidated Irrigation Company water for their pressurized irrigation needs, and have been assessed \$48 per share annually in recent years; the assessment was raised to \$60 this year. Non-shareholders connected to the irrigation system are charged \$125 annually by the town. Springdale owns four irrigation shares which it uses on public green areas.

Residents pay more for water ($\$24.21 + \$60/12 = \$29.21$) than the board's affordability guideline, even before the proposed loan repayment is taken into account.

Culinary water users pay a monthly base rate plus an amount based on water used. Current residential and commercial rates are:

<u>RESIDENTIAL</u>		<u>COMMERCIAL</u>	
<u>USAGE (gal.)</u>	<u>\$/1,000 gal</u>	<u>USAGE (gal.)</u>	<u>\$/1,000 gal</u>
Base	12.00	Base	24.00
0-5,000	2.60	0-5,000	4.00
5,000-10,000	2.90	5,000-10,000	4.50
10,000-25,000	3.20	10,000-25,000	5.00
Over 25,000	3.50	Over 25,000	5.50

BENEFITS:

The project will triple the storage capacity of the pond and improve water quality in both the culinary water and irrigation systems by removing more river sediment. The pond will have sufficient capacity to

store enough irrigation water to allow users to irrigate during the cooler parts of the day. The culinary water treatment plant will operate more efficiently with reduced costs.

Tying the Hummingbird Lane and Big Spring wells to the system will utilize those existing, lower quality water sources more fully, freeing up the higher quality Virgin River water for culinary use.

PROJECT
SPONSOR:

The Town of Springdale lies just outside the southern entrance to Zion National Park and caters to around 2.5 million visitors annually. With a current population of just under 500, it has been growing at about the 3% projected by the Governor's Office of Planning and Budget. Residential growth is limited to 420 total connections due to the physical boundaries of the Park and Town of Rockville; at 3% annually, that number will be reached in 2028.

The town received \$420,000 from the board in the mid-1990s to help construct its 400 gpm culinary water treatment plant. That loan is being repaid with annual payments of \$18,000 through 2008, increasing to \$48,000 through 2014.

WATER RIGHTS
& SUPPLY:

The town obtains its water from the Virgin River and several small springs within Zion National Park. The wells are not being used because of low water quality.

The town's water rights are:

<u>WR #</u>	<u>Description</u>	<u>Flow Right (cfs)</u>
81-105	Park Spring	0.016
81-220	Park Spring	0.042
81-274	Park Spring	0.070
81-585	Hummingbird Lane Well	0.330
81-1326	Cemetery Well	0.145
81-2413	Big Springs Well	0.525
81-3392	Virgin River	1.330
81-1142	Virgin River - Purchased from Irrigation Company	1.170

EASEMENTS:

The town owns the pond and well sites. Although pipelines will primarily follow existing roads, an easement for one stretch of pipeline will need to be obtained.

ENVIRONMENTAL: The proposed project includes expanding an existing pond, installing pipeline primarily along roads, and connecting existing water sources to the system; no long-term environmental impacts are foreseen.

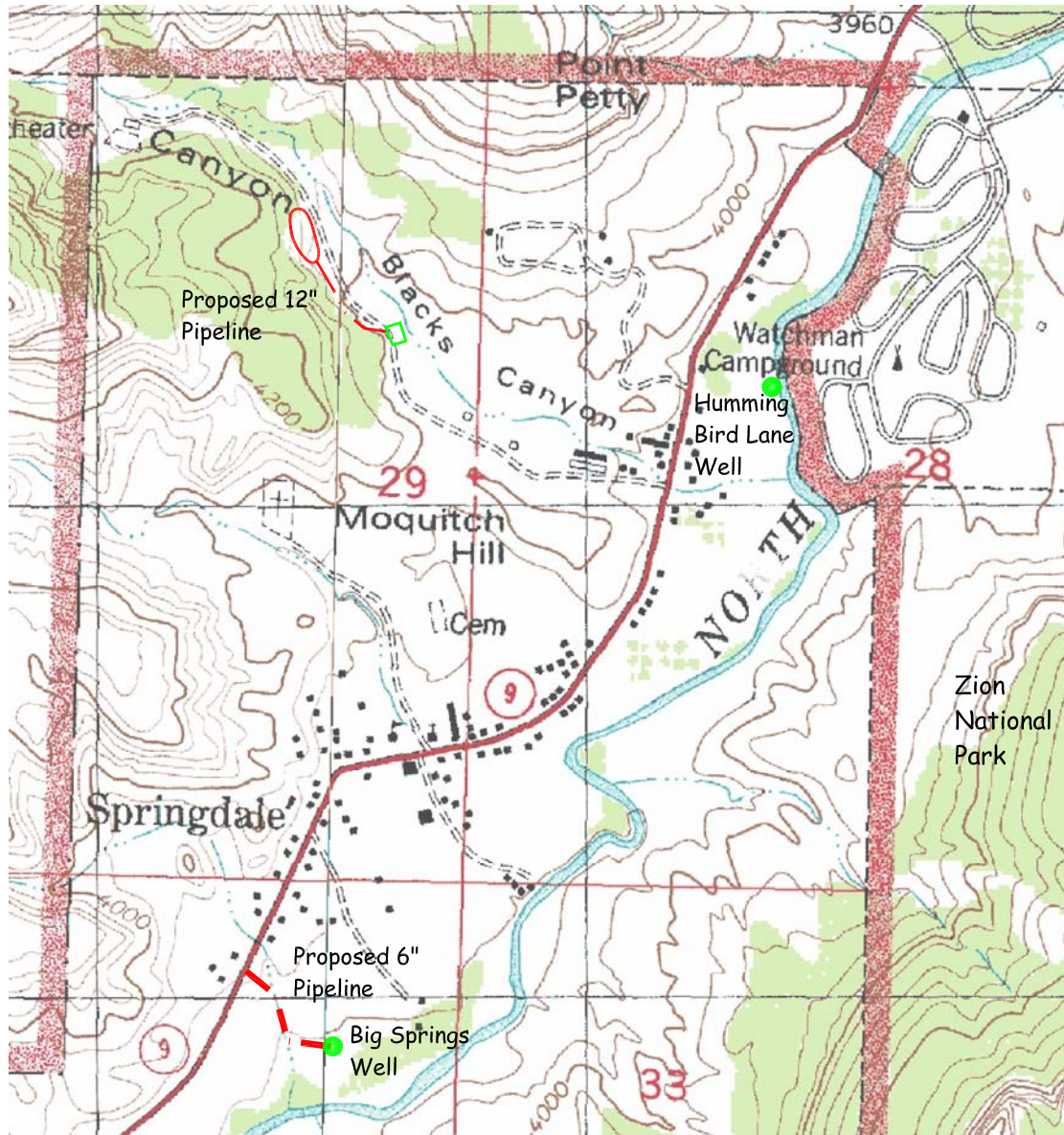
WATER
CONSERVATION: The town will be required to prepare a water management and conservation plan and obtain Division approval of it.

The town has an ordinance in place prohibiting outdoor watering from 11:00 a.m. to 7:00 p.m. as well as stepped water rates to encourage conservation. It also encourages residents to install low water use landscapes.

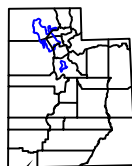
SPONSOR'S
RESPONSIBILITIES: The town will be required to make all arrangements to sell the board a non-voted revenue bond as well as verify it has adequate water rights and rights-of-way to construct the project. If the project is authorized, a list of procedures and requirements necessary to close the loan will be furnished to the town.

PROJECT
CONTACT
PEOPLE: Mayor: Bruce M. VanderWerff
118 Lion Blvd.
Springdale, UT 84767
Phone: (435) 772-3434

Engineer: Alpha Engineering
148 East Tabernacle
St. George, UT 84770
Phone: (435) 628-6500







T41S; R10W

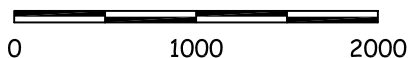


Project
Location

TOWN OF SPRINGDALE Water Improvement Project Washington County

-  Proposed Pond Enlargement
-  Proposed 6" Pipeline
-  Proposed 12" Pipeline
-  Existing Treatment Plant

Scale in Feet



BOARD OF WATER RESOURCES

Feasibility Report

Revolving Construction Fund

Appl. No.: **E-119**

Received: 10/10/03

Approved: 10/31/03

To be Presented at the December 12, 2003 Board Meeting

SPONSOR: ***SOUTH WILLARD WATER COMPANY***

President: Richard E. Day

LOCATION: The proposed project is located a mile south of Willard City, about nine miles south of Brigham City in Box Elder County.

EXISTING CONDITIONS & PROBLEMS: The sponsor currently supplies culinary water, through a system rated "Approved" by the Division of Drinking Water, for indoor and outdoor use to 171 connections. Water is supplied by Maple Grove Spring a mile east of the service area, and a 12-inch well a half-mile east near the sponsor's 40,000, 100,000, and 300,000 gallon storage tanks.

Connections have grown at an average annual rate of 8.4% the past eight years, and that rate is predicted by the sponsor to continue over the next ten. Add to that approved plans for 40 new homes, plus the sponsor's desire to keep two average days' storage for emergency purposes, and additional storage is needed.

PROPOSED PROJECT: The sponsor is requesting financial assistance from the board to construct a 700,000 gallon concrete storage tank. Technical assistance is being provided by J-U-B Engineers in Logan.

The project fits in Prioritization Category 2 (municipal project required to meet existing or impending need).

COST ESTIMATE: The following cost estimate is based on the engineer's preliminary design and has been reviewed by staff:

<u>Item</u>	<u>Description</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Amount</u>
1.	700,000 Gal. Tank	LS	\$350,000	\$350,000
2.	Misc. Piping	LS	20,000	<u>20,000</u>
	Construction Cost			\$370,000
	Contingencies			37,000
	Property Purchase			25,000
	Legal and Administrative			12,000
	Design and Construction Engineering			<u>54,000</u>
	TOTAL			\$498,000

COST SHARING & REPAYMENT: The recommended cost sharing and repayment are:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$373,000	75%
Sponsor	<u>125,000</u>	<u>25</u>
TOTAL	\$498,000	100%

If the board authorizes the project, it is suggested it be purchased in approximately 16 years at 0% interest with annual payments ranging from \$17,000 to about \$31,000.

The sponsor requests a purchase agreement of \$15,000 per year at 0% interest over approximately 25 years to allow it to make other system improvements in the next few years without board assistance.

FINANCIAL FEASIBILITY: Based on the board's water service affordability guidelines, South Willard water users could pay up to \$38.79 monthly for water. The cost of water with the proposed project, based on 178 projected connections when the first annual payment is due, is as follows:

	<u>Annual Cost</u>	<u>Cost/Conn/Mo</u>
Operation & Maintenance	\$36,600	\$17.13
Rural Development Loan	8,462	3.96
Capital Recovery Fund	20,000	9.36
Proposed BWR Assistance	<u>17,000</u>	<u>7.96</u>
TOTAL	\$82,062	\$38.41

The sponsor has an older, 10-inch well adjacent to the pipeline distribution system near Highway 89-91 that is out of service due to casing problems and water quality concerns. The capital recovery fund is proposed to fund a replacement well and a secondary irrigation system when more water is needed to meet future demands.

Current monthly water rates are \$22.00 base charge for up to 17,000 gallons, plus \$0.75 per thousand gallons used over that. The sponsor plans to raise rates to help pay for the project.

BENEFITS: The project will provide the sponsor adequate storage for future needs.

PROJECT
SPONSOR: South Willard Water Company was incorporated in 1945 to provide water for domestic, livestock, and garden purposes for residents of the South Willard area. It currently serves 171 connections and anticipates the addition of 40 more by 2005. The Governor's Office of Planning and Budget's 1.9% average annual growth rate projection for the next 20 years is significantly less than what has occurred in the recent past, and what the sponsor predicts for the next decade; the proposed annual payments to the board represent a growth rate in-between.

The water company has received assistance from the board twice in the past. In 1974 the board provided \$20,000 to help construct the 100,000 gallon tank and do development work on Maple Grove Spring; that assistance has been returned. In 1979 the board provided about \$183,000 to help drill and equip the 12-inch well near the existing tanks and to install distribution piping; final payment was made on that project the first of this month.

WATER RIGHTS
& SUPPLY: The sponsor's water rights are:

<u>Source</u>	<u>Right No.</u>	<u>Flow (cfs)</u>
Maple Grove Spring	29-1167	.204
12-inch Well	29-2096	1.0
10-inch Well	29-1267	0.25
	29-1375	0.074

The spring yields 11-50 gpm, the 12-inch well 600 gpm, and the 10-inch well is not in use.

EASEMENTS: The sponsor is in the process of acquiring land for the tank.

ENVIRONMENTAL: Some excavation and earthwork will be required to build the tank, but no long-term environmental damage is anticipated.

WATER
CONSERVATION: The sponsor requires all new subdivisions to install secondary irrigation systems, and all agricultural water rights be converted to secondary use when houses replace farmland. Although secondary systems are presently being operated and maintained by the developers, the systems will one day be consolidated and managed by the sponsor.

The sponsor sends an educational reminder to water users concerning avoidance of outdoor watering from 10:00 a.m. to 6:00 p.m.

SPONSOR'S
RESPONSIBILITIES: If the board authorizes the proposed project, the sponsor must do the following before construction can begin:

1. Obtain all easements, rights-of-way, and permits required to construct, operate, and maintain the project.
2. Pass a resolution by the appropriate (as defined in the company's Articles of Incorporation and Bylaws) majority of company stock authorizing its officers to do the following:
 - a. Assign properties, easements, and water rights required for the project to the Board of Water Resources.
 - b. Enter into a contract with the Board of Water Resources for construction of the project and subsequent purchase from the Board.
3. Have an attorney give the Board of Water Resources a written legal opinion that:
 - a. The company is legally incorporated for at least the term of the purchase contract and is in good standing with the state Department of Commerce.
 - b. The company has legally passed the above resolution in accordance with the requirements of state law and the company's Articles of Incorporation and Bylaws.

c. The company has obtained all permits required for the project.

4. Have an attorney give the Board of Water Resources a written legal opinion that:

a. The company owns all easements and rights-of-way for the project, as well as the land on which the project is located, and that title to these easements, rights-of-way, and the project itself can be legally transferred to the Board.

b. The company's water rights applicable to the project are unencumbered and legally transferable to the Board of Water Resources.

In lieu of an attorney's opinion, the company may obtain a title insurance policy in the name of the Board of Water Resources for the easements, rights-of-way, land, and water rights necessary for the project.

5. Obtain approval of final plans and specifications from the Division of Water Resources and the Division of Drinking Water.

6. Prepare a water management and conservation plan for its service area, and obtain approval of it from the Division of Water Resources.

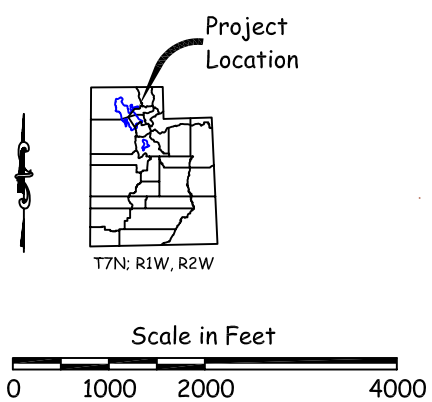
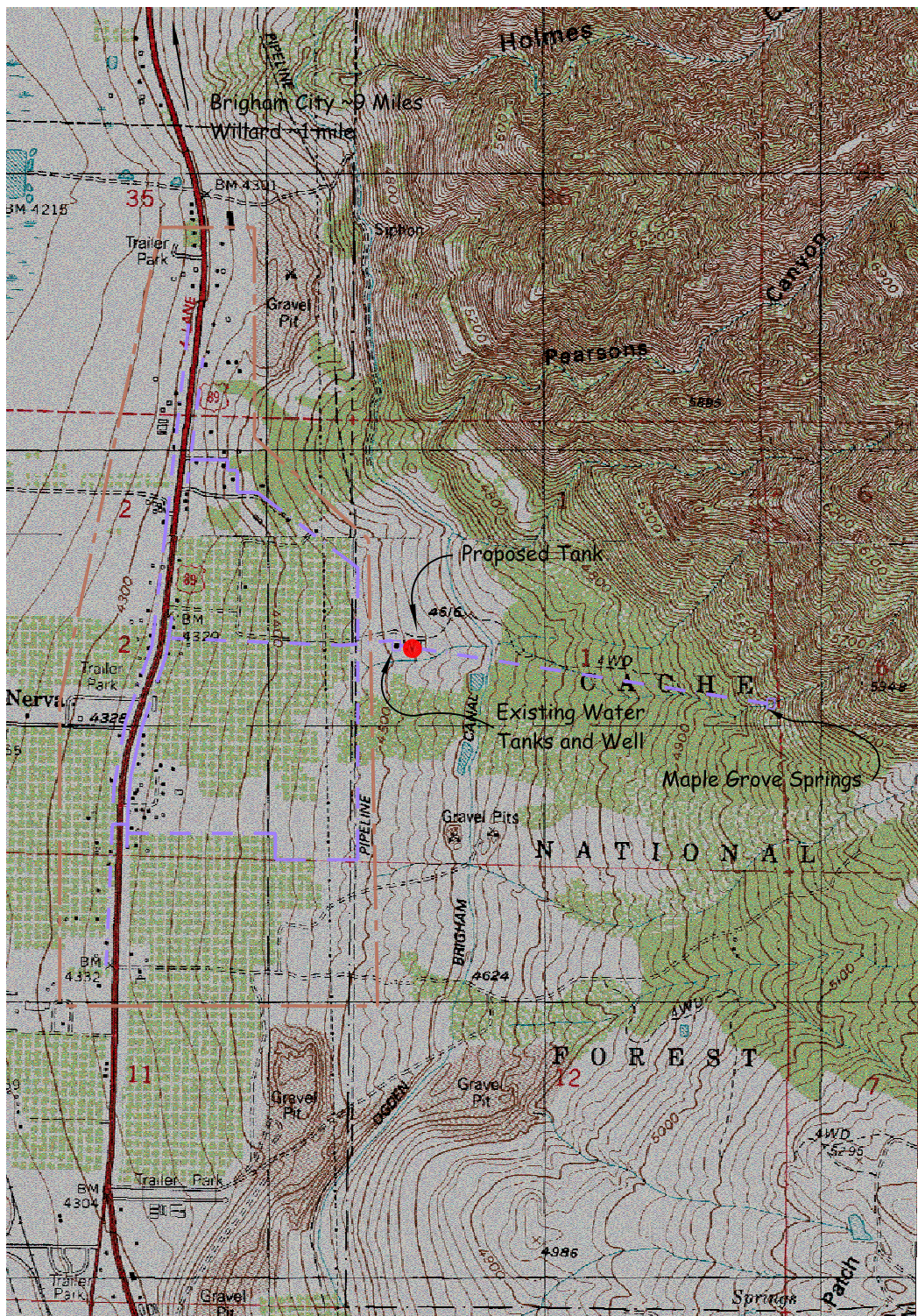
7. Adopt a rule prohibiting its users from irrigating landscapes between the hours of 10:00 a.m. and 6:00 p.m.

8. Work with division staff in establishing a progressive water rate schedule that will assure adequate revenue and encourage conservation.

PROJECT
CONTACT
PEOPLE:

President: Richard E. Day
P.O. Box 82
Willard, UT 84340
Phone: (435) 734-2137

Engineer: Brian Deeter
J-U-B Engineers
40 W. Cache Valley Boulevard
Building 3B
Logan, UT 84341
Phone: (435) 713-9514



SOUTH WILLARD WATER COMPANY Storage Tank Project Box Elder County

- Service Boundry
- Existing Pipeline

BOARD OF WATER RESOURCES

Committal of Funds

Conservation and Development Fund

Appl. No.: **E-123**
Received: 6/27/00
Approved: 8/4/00
Authorized: 9/22/00
Committed (Ph. I): 9/22/00
Committed (Ph. II): 9/21/01

To be Presented at the December 12, 2003 Board Meeting

SPONSOR: **DAVIS AND WEBER COUNTIES CANAL COMPANY**

President: Joseph Dawson
138 West 1300 North
Sunset, UT 84015
Phone: (801) 774-6373

LOCATION: The proposed project is located just south of South Weber City in Davis County.

PROJECT SUMMARY: In September, 2000, the board authorized the sponsor's \$25.5 million, long-term Davis-Weber Canal improvement project. The project (which extends from the head of the canal on the Weber River about 2½ miles east of South Weber City, to Riverdale City) consists of replacing, in phases over a number of years, nearly 6½ miles of deteriorated canal liner with sections of reinforced concrete liner, large diameter pipe, or concrete box culvert. The headworks at the diversion on the Weber River will be replaced and two wasteways improved to allow the canal to be drained in case of emergency. Telemetry will be installed to automate canal operation.

Phase I (2000) consisted of 2,300 feet of reinforced concrete liner and Phase II (2001) consisted of 4,000 feet of 9x8-foot concrete box culvert; nothing was built in 2002 due to funding shortages.

After receiving word that board funding should be available this coming spring and discussing Phase III with staff, the sponsor proceeded with design work on

that phase, which includes 4,800 feet of 9x8-foot concrete box culvert, 2,000 feet of reinforced concrete canal liner, and slope stabilization work. The design was completed, the project bid, and construction is underway in order to complete the project by this coming April.

COST ESTIMATE
& SHARING:

The overall project was authorized based on 85% cost sharing from the board and 15% from the canal company. The proposed cost estimate and sharing for Phase III are:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$2,735,000	85%
Sponsor	<u>480,000</u>	<u>15</u>
TOTAL	\$3,215,000	100%

PURCHASE
AGREEMENT:

Authorized terms for the overall project are 30 years and 3.6% interest. If the board commits funds to Phase III, it is recommended the \$2,735,000 be returned to the board in 30 years at 3.6% interest with annual payments of approximately \$150,600.

BOARD OF WATER RESOURCES

Special Item

Withdrawal

Revolving Construction Fund

Appl. No.: **D-899**

Received: 2/23/95

Approved: 3/9/95

To be Presented at the December 12, 2003 Board Meeting

SPONSOR: ***DOWNS DITCH WATER COMPANY***

President: Carlos Clark
Box 198
Eden, UT 84317-0198
Phone: (801) 745-3704

LOCATION: The project is located two miles east of Huntsville in Weber County.

SUMMARY: The sponsor requested assistance from the board to make improvements to its irrigation system including installing new headgates and about 500 feet of irrigation pipeline.

The sponsor built the project this past summer using its own resources, so staff recommends the application be withdrawn from further consideration by the board.

BOARD OF WATER RESOURCES

Special Item

Feasibility Report (Reauthorization)

Revolving Construction Fund

Appl. No.: **D-968**
Received: 7/30/97
Approved: 8/8/97
Authorized: 1/14/00

To be Presented at the December 12, 2003 Board Meeting

SPONSOR: ***KANAB IRRIGATION COMPANY***

President: Norris Brown

LOCATION: The proposed project is located north of Kanab City in Kane County.

SUMMARY: The sponsor delivers pressurized irrigation water to 165 connections in town and to 34 shareholders south of town irrigating about 570 acres of farmland. It diverts from Kanab Creek about two miles north of town into a 24-inch pressurized transmission pipeline that supplies two separate pressure zones. The upper zone includes connections in Kanab City north of 400 South and is supplied from a pump station located in town on the transmission pipeline. The water is pumped to a concrete tank that acts as a regulating reservoir. Water not used in the upper zone goes to the lower, which includes farms and residences in the southern part of the valley.

The pressurized irrigation system was installed in 1983. After construction and before the sponsor had an adequate inlet screen, a flash flood partially filled the 24-inch pipeline with trash. Other problems (possibly low spots that have partially filled with sediment) have also reduced the transmission pipeline capacity; even though the pipeline was designed to carry 18 cfs, it can only transport 8 cfs.

The sponsor has an adjudicated water right to irrigate over 1,500 agricultural acres but has only

been irrigating the 570 acres because of drought, system problems, and the unreliability of Kanab Creek whose flow fluctuates widely from spring to late summer.

In early 2000 the board authorized a water supply project for the sponsor consisting of perforated pipe under Kanab Creek to collect lost seepage water, a pump station, and transmission pipeline to tie into the pressurized irrigation system. That project is now not planned to be built due to poor water quality and quantity, high pumping costs, and environmental concerns.

PROPOSED
PROJECT:

Instead of the authorized project to increase its water supply, the sponsor decided to investigate the installation of a well. It drilled a successful well (anticipated to produce 400 gpm based on pump test) on a plateau about ½ mile downstream of the diversion on Kanab Creek.

The sponsor is requesting financial assistance from the board to equip the new well, add cleaning access manholes to the 24-inch line and clean it using a "Poly Pig", and install about 5,700 feet of 10 and 30-inch transmission pipeline. The 10-inch pipe will connect the well to the 24-inch pipeline and supply the upper pressure zone, and the 30-inch pipe will supply Kanab Creek water to the lower zone as well as help convey water to a future reservoir the sponsor intends to build south of town. The existing pump station will supply the upper pressure zone during periods of low demand.

Jones & DeMille Engineering in Richfield will provide design and construction engineering services.

The project fits in Prioritization Category 3 (agricultural project that will provide significant economic benefit to area).

COST ESTIMATE:

The following cost estimate was prepared by the engineer and revised by staff:

<u>Item</u>	<u>Description</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Amount</u>
1.	Mobilization	LS	\$15,000	\$ 15,000
2.	Well Pump	LS	34,000	34,000
3.	Pump Building	LS	20,000	20,000
4.	Clean 24-inch Pipeline	LS	30,000	30,000
5.	PVC Pipe			
	a. 30-inch	5,280 LF	36.00	190,080
	b. 10-inch	400 LF	12.00	4,800
6.	Highway Crossing	60 LF	250	15,000
7.	Meter Manhole & Valves	LS	5,000	<u>5,000</u>
Construction Cost				\$313,880
Contingencies				31,420
Well Site Investigation & Construction				118,700
Legal and Administrative				6,000
Design and Construction Engineering				<u>30,000</u>
TOTAL				\$500,000

COST SHARING
& REPAYMENT:

The recommended cost sharing and repayment are:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$ 377,000	75%
Kane County WCD	118,700	24
Sponsor	<u>4,300</u>	<u>1</u>
TOTAL	\$ 500,000	100%

If the board authorizes the project, it is suggested it be purchased with annual payments of \$16,400 at 0% interest over approximately 23 years.

FINANCIAL
FEASIBILITY:

Benefits from installing the project are estimated to be primarily the value of 216 acre-feet of water developed annually. Annual net benefits are computed as follows:

Annual Benefit of Water Developed	\$27,700
Annual Power Savings for Pump Station	3,000
Less Project Well Power Costs	-4,200
Less Estimated Project O&M Costs	<u>-4,700</u>
ANNUAL NET BENEFIT	\$21,800

With the proposed board share of the project being 75%, it is suggested the sponsor's repayment ability be calculated to be approximately 75% of the annual net benefit, or \$16,400 per year.

BENEFITS: The proposed project will develop an estimated 216 acre-feet annually and increase the irrigation system capacity.

PROJECT SPONSOR: Kanab Irrigation Company was formed in the late 1800s to administer the distribution of water from Kanab Creek. The company was involuntarily dissolved in 1989 for failure to file an annual report, and reincorporated in 1995; it is presently registered in good standing with the state Department of Commerce.

Irrigation company facilities, consisting of a diversion dam and sluicing structure on Kanab Creek, a pump station, a million gallon storage tank, and about 15 miles of pressurized irrigation pipeline, are used by 34 shareholders (representing 4,000 shares) irrigating 570 acres of farmland, and 165 pressurized secondary irrigation shareholders (representing 1,000 shares) irrigating an estimated 33 acres in town. Seven shares are needed for an acre of farmland and 30 shares are needed to water an acre in town. The current annual assessment is \$14 per share, plus \$50 per connection.

In 1983 the board provided \$1.28 million to the sponsor to construct the pressurized irrigation system, which uses the diversion structure as a head pond. The sponsor is making \$36,500 annual payments to the board through 2021.

WATER RIGHTS & SUPPLY: Water rights associated with the project, which are currently in the name of the board, are:

<u>No.</u>	<u>Amount (cfs)</u>	<u>Status</u>
85-8	18.0	Decreed
85-9	1.0	Certified
85-19	7.7	Certified

Water from the new well will be under right 85-8.

EASEMENTS: The sponsor has purchased the well site. A right-of-way will need to be obtained from the Utah Department of Transportation for installation of the transmission pipeline.

ENVIRONMENTAL: Some destruction of natural habitat will occur along the pipeline alignment, but it will grow back. The well may impact the downstream reach of Kanab Creek by decreasing its flow.

WATER
CONSERVATION: The project will develop an additional 216 acre-feet annually.

SPONSOR'S
RESPONSIBILITIES: If the board authorizes the proposed project, the sponsor must do the following before construction can begin:

1. Obtain approval of State Engineer for an additional point of diversion.
2. Obtain all easements, rights-of-way, and permits required to construct, operate, and maintain the project.
3. Pass a resolution by the appropriate (as defined in the company's Articles of Incorporation and Bylaws) majority of company stock authorizing its officers to do the following:
 - a. Assign properties and easements required for the project to the Board of Water Resources.
 - b. Enter into a contract with the Board of Water Resources for construction of the project and subsequent purchase from the Board.
4. Have an attorney give the Board of Water Resources a written legal opinion that:
 - a. The company is legally incorporated for at least the term of the purchase contract and is in good standing with the state Department of Commerce.
 - b. The company has legally passed the above resolution in accordance with the requirements of state law and the company's Articles of Incorporation and Bylaws.
 - c. The company has obtained all permits required for the project.
5. Have an attorney give the Board of Water Resources a written legal opinion that the company owns all easements and rights-of-way for the project,

as well as the land on which the project is located, and that title to these easements, rights-of-way, and the project itself can be legally transferred to the Board.

In lieu of an attorney's opinion, the company may obtain a title insurance policy in the name of the Board of Water Resources for the easements, rights-of-way and land necessary for the project.

6. Obtain approval of final plans and specifications from the Division of Water Resources.

7. Obtain an IRS Employer Identification Number.

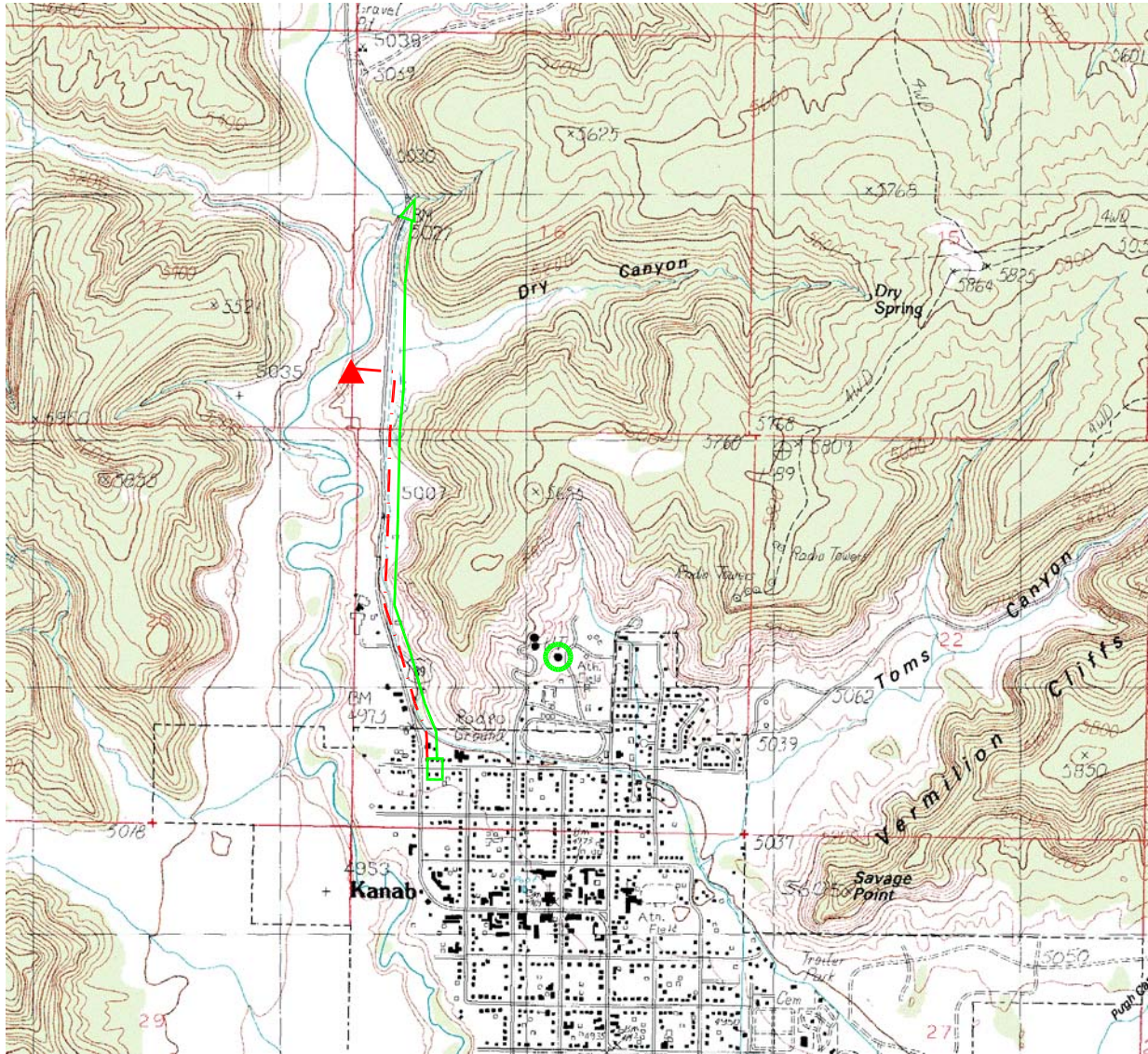
8. Prepare a water management and conservation plan for its service area, and obtain approval of it from the Division of Water Resources.

PROJECT
CONTACT
PEOPLE:

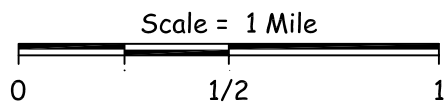
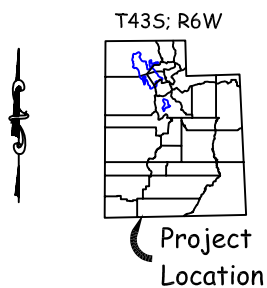
President: Norris Brown
16 East 200 South
Kanab, UT 84741
Phone: (435) 644-2347

Secretary: Tom Willardson
1434 S. McAllister Dr.
Kanab, UT 84741
Phone: (435) 644-5784

Engineer: Jones & DeMille Engineering
1535 South 100 West
Richfield, UT 84701
Phone: (435) 896-8266



KANAB IRRIGATION COMPANY
Well and Pipeline Project
Kane County



- Existing 24" Pipeline
- ▲ Existing Point of Diversion
- Existing Pump Station
- Existing Water Tank
- - - Proposed 30" Pipeline
- ▲ Equip Well

BOARD OF WATER RESOURCES

Special Item

Withdrawal

Conservation and Development Fund

Appl. No.: **E-040**
Received: 10/10/00
Approved: 11/03/00
Authorized: 1/19/01

To be Presented at the December 12, 2003 Board Meeting

SPONSOR: ***MOUNTAIN REGIONAL WATER SPECIAL SERVICE DIST***

Chair: Shauna L. Kerr
60 North Main Street
Coalville, UT 84017
Phone: (435) 640-1916

LOCATION: The proposed project is located just north of I-80's
Kimball Junction in western Summit County.

SUMMARY: The board authorized \$1,675,000 (38%) to the sponsor to
help construct a microfiltration water treatment plant with
a capacity of 2.3 MGD, expandable to 5.2 MGD.

The sponsor's current plans are to issue one series of
bonds on the open market for \$32.45 million to fund various
culinary water system improvements. Since funding for the
proposed treatment plant is included, the sponsor requests
its application to the board be deauthorized and withdrawn
from further consideration.

BOARD OF WATER RESOURCES

Special Item

Contract Amendment - Interest Forgiveness

Conservation and Development Fund

Appl. No.: **N-226**

To be Presented at the December 12, 2003 Board Meeting

SPONSOR: **NEW ESCALANTE IRRIGATION COMPANY**

President: Bartt Carter
P.O. Box 535
Escalante, UT 84726
Phone: (435) 826-4202

LOCATION: The project is located on land served by the sponsor around Escalante City in Garfield County.

SUMMARY: The Board of Water Resources provided financial assistance to the sponsor in 1981 for construction of a pressurized irrigation system serving 2,700 acres. The system serves the sponsor's agricultural lands and provides lawn and garden watering to shareholders in Escalante. The board paid 100% of the project cost of about \$2 million. The financial assistance was to be returned to the board over a 35-year period at 3% interest with annual payments of approximately \$101,000. In February, 1988, because of the cost of litigation between the sponsor and downstream water users on Alvey Wash, the board amended the sponsor's contract, reducing its annual payment to \$70,000 for the years 1988 through 1990, with payments to be about \$105,000 for the years 1991 through 2018. In March, 1990, the sponsor requested the board defer its payment of \$70,000 for one year. The board voted to make the due date May, 1990, instead, at which time the sponsor made the \$70,000 payment.

In early 1992, the sponsor requested the board defer the March, 1992 payment. The board granted the request and directed staff to work with the sponsor to come up with a repayment schedule that could be met.

In February, 1993, the board amended the sponsor's contract, reducing the 3% interest rate to 1.5% and making payments for 1993, 1994, 1995, and 1996 \$25,000, \$60,000, \$67,000, and \$69,000, respectively. Payments from 1997 through 2020 increase \$2,000 annually over the previous year's payment. The final payment to the board will be made in the year 2021, and will be approximately \$89,000.

Due to 1996's severe reduction in water supply and crop production in the Escalante area, the sponsor requested the \$28,737.61 interest portion of its \$71,000 payment due March 1, 1997, be forgiven; the board approved that request. Due to similar conditions in 2002, the sponsor requested the \$24,328.32 interest portion of its \$83,000 payment due March 1, 2003, be forgiven; the board also approved that request.

STATUS & STAFF
RECOMMENDATION:

Due to continuing, severely reduced water supply and crop production in the Escalante area (see letter), the sponsor requests the \$23,448.24 interest portion (based on a current principal balance of \$1,563,214) of its \$85,000 payment due March 1, 2004, be forgiven. Staff recommends the board approve that request.

BOARD OF WATER RESOURCES

Special Item

Request for Release of Water Right

To be Presented at the December 12, 2003 Board Meeting

SPONSOR:

DRAPER IRRIGATION COMPANY

Development Manager: David Gardner
12421 South 800 East
P.O. Box 275
Draper, UT 84020
Phone: (801) 571-2232

SUMMARY:

Draper Irrigation Company is requesting permission from the Board of Water Resources to make a third exchange of water rights, the title to which is presently held by the board for the company's water project.

On December 10, 1999, and June 8, 2001, the board approved the exchange of water rights between Draper Irrigation Company (Draper) and Mr. John Jacob for the mutual benefit of both parties. Because Mr. Jacob needed a water right in Utah Lake, he was willing to exchange 4,324.13 acre-feet of a Jordan River water right with a priority date earlier than Draper's for 2,882.76 acre-feet of Draper's Utah Lake right. The exchange allowed both parties to use water from sources closer to the places of use, and Draper received approximately 1 1/2 times more water than it gave up. The change application was approved by the State Engineer and Draper has transferred the right it received to the board.

Draper again has the opportunity to trade some of its water in Utah Lake for Jordan River water. This time, however, Draper requests the Board release 1,000 acre-feet with no requirement that the Jordan River water right it receives be transferred to the board. Draper intends to use most of the new Jordan River right to acquire other water rights that are better suited for culinary use, which will allow Draper to better accommodate ongoing residential development. The 1,000 acre-feet is needed for flexibility in that regard.

In 1989 Draper made application to the board for financial assistance to construct a secondary system for about 3,000 acres. At that time most of the area was still being farmed. The board provided \$6.875 million for the \$7.978 million project. Draper agreed to purchase the project from the board in 30 years at 5% interest with payments ranging from \$346,000 to about \$625,000. Payments began in 1994 and the current principal balance is approximately \$6.3 million.

STAFF

RECOMMENDATION:

Staff suggests Draper's request for the unconditional release of 1,000 acre-feet be approved. Draper supplies both secondary and culinary water and, as farmland is converted to home sites, there needs to be water moved from the secondary/farm system to the drinking water system. Allowing Draper the flexibility of having 1,000 acre-feet of water right to use in the operation and management of its systems seems reasonable.

The board is required by statute to hold title to the water that is being used in the project it financed. As stated, it is reasonable to assume that as farmland is converted to residential, water needs to leave the secondary system and move to the culinary system. This moving of water is not in conflict with the board's statutory responsibility.

BOARD OF WATER RESOURCES

Application Summary

Appl. No. ***E-120***

Received: 10/30/03

SPONSOR: ***LAKETOWN IRRIGATION COMPANY***

President: Howard Lamborn
292 North Main
Laketown, UT 84038
Phone: (435) 946-3388

LOCATION: The proposed project is located in and around Laketown, a small community on the southern edge of Bear Lake in Rich County.

PROPOSED PROJECT: The sponsor is requesting assistance to install control panels on two existing pumps in a pressurized irrigation system. The variable speed capability will facilitate more consistent pressures throughout the system and reduce power costs.

WATER RIGHTS: In the name of the board.

COST ESTIMATE: \$23,000

BOARD OF WATER RESOURCES

Application Summary

Appl. No. **E-121**
Received: 11/6/03

SPONSOR: **PAROWAN CITY**

Mayor: Ronald Smith
5 South Main St.
P.O. Box 576
Parowan, UT 84761

LOCATION: The proposed project is located in Parowan in Iron County.

PROPOSED PROJECT: Parowan is requesting assistance to drill and equip a well to augment the city's pressurized secondary irrigation system water supply.

WATER RIGHTS: The city has numerous underground and surface water rights that support its culinary water and irrigation needs.

COST ESTIMATE: \$211,000

BOARD OF WATER RESOURCES

Application Summary

Appl. No. **E-122**

Received: 11/21/03

SPONSOR: **HOLLIDAY WATER COMPANY**

Chairman: George Grover
1887 East 4500 South
Salt Lake City, UT 84117
Phone: (801) 277-2893

LOCATION: The proposed project is located in the Holladay area in Salt Lake Valley.

PROPOSED PROJECT: The sponsor is requesting assistance to improve its culinary water system, serving 3,900 connections, by constructing a three million gallon storage tank, installing three miles of transmission, distribution, and drainage pipeline, and installing a booster pumping station.

WATER RIGHTS: The sponsor has Big Cottonwood Creek and Spring Creek surface rights, and numerous underground rights.

COST ESTIMATE: \$4,000,000

Unapproved
MINUTES

BOARD OF WATER RESOURCES
BRIEFING MEETING

October 31, 2003

Division of Water Resources
Room 314
1594 West North Temple
Salt Lake City, Utah

BOARD OF WATER RESOURCES

Briefing Meeting
October 31, 2003

The Board of Water Resources held a briefing meeting on October 31, 2003, at 9:00 a.m. at the Division of Water Resources, Room 314, 1594 West North Temple, Salt Lake City, Utah.

The following people were in attendance:

BOARD MEMBERS

Paul Riley
Ivan Flint
Brad Hancock
Harold Shirley
George Harmond, Jr.
Paul McPherson
Warren Peterson
Bill Marcovecchio – absent

STAFF MEMBERS

Larry Anderson - Director
Dennis Strong – Deputy Director
Steve Wilde – Chief, Investigations
Nancy Fullmer – Administrative Secretary
Todd Adams – Chief, Hydrology and Computer Applications
Eric Klotz – Chief, Water Conservation/Education and Use

VISITORS

Robert Morgan, Dept. of Natural Resources
Sherm Hoskins, Dept. of Natural Resources
Terrah Degiulio, Office of Planning and Budget
Norman Johnson, Attorney General's Office
David Brown, Utah Rivers Council

Chair Riley called the briefing meeting to order and welcomed everyone. Robert Morgan, Executive Director of the Department of Natural Resources, said he wanted to meet with the Board members and let them know about the Department of Natural Resources combined boards meeting and tour being held on December 4 and 5. He would like the board chairs to make a presentation on what their boards do and some of the challenges they face. He hopes the board members can become more familiar. He said no actions would be taken at the meetings since they are for information only. Sherm Hoskins asked the Board members to let his office know if they plan to attend.

Chair's Report

Chair Riley asked Director Anderson to give his presentation on "Meeting Utah's Future Municipal and Industrial (M&I) Water Needs" that he gave at Utah State University. Director Anderson said the future M&I water needs will be met through water conservation, agricultural conversion and new water development. He gave a power point presentation and answered questions. The Board members thanked him for the information and suggested he make the presentation available to all water users.

Warren Peterson said he was contacted by someone who asked if the Board of Water Resources was doing anything about the drought since it is designated as the water policy board of the state. They were also concerned about sprinkler development depleting more water than flood irrigation and the change of crops grown that affect downstream water users. Director Anderson said this Board is a non-regulatory board, but the State Engineer could possibly look at those issues. Chair Riley said the Board should not mandate the types of crops grown.

Cloud Seeding Report

Todd Adams said the good news is that it is snowing and there should be another storm on the weekend. Mr. Adams explained last year's cloud seeding program and showed a map of this year's program, which will start about mid-November. He also talked about the propane seeding experimentation project that will be conducted during the winter of 2003/04 and handed out a summary sheet.

Director Anderson talked about the historical levels of Bear Lake and handed out a hydrograph of Bear Lake. He said the lake has had major drops and is at the same level as it was in 1936, which is the previous low. Mr. Anderson also handed out information on the water conservation campaigns and water use data that has been collected throughout the state. He said that information would be posted on the Division's web page.

Warren Peterson said the reservoirs in the Sevier River drainage are about empty. He said Yuba Dam was rededicated last week, and he thanked Paul McPherson for attending the event. Mr. McPherson then talked about the rededication ceremony.

Projects

Director Anderson reminded the Board members they should not make decisions about projects or debate whether they are good projects during the briefing meeting.

Director Anderson said the feasibility report for the Hyrum Blacksmith Fork Irrigation Company would not be presented this month. The sponsor requested the presentation be delayed until the stockholders can meet to discuss the economics and proposed repayment terms of the project.

Steve Wilde talked about the committal of funds report for the Porcupine Highline Canal Company. The project costs have increased since the authorization so the sponsor is requesting \$112,000 (85%) from the Board rather than the \$85,000 (85%) that was authorized in April 2002. The project is the same but the bids were higher than estimated.

Mr. Wilde said the project for Trenton Town has changed since authorization so the sponsor was asked to come to the Board meeting. Because of cost, easement and water rights issues, the well and transmission pipeline are no longer part of the project; but the town would like funds committed so it can proceed with the distribution portion of the project, which has been bid. After a discussion about the water supply component of the project, Mr. Wilde recommended if the Board commits funds to the project, the proposed repayment terms should remain as authorized, with the stipulation that if the town has not selected and implemented the water supply component of the project in 18 months, the unused board funds should be returned.

Steve Wilde explained the reason the Center Creek Irrigation Company requested an amendment to its contract. The sponsor would like the Board to postpone its December 2003 payment for one year. Mr. Wilde suggested requiring the sponsor to submit the plans and specifications to Dam Safety before December 1 if the amendment is approved.

George Harmond discussed the Blanding Irrigation Company's requests to amend its contracts to postpone this year's payments since the farmers have not been able to raise enough crops to generate any income because of the drought. Steve Wilde said the conditions have not improved since last year when the company made the same request.

Mr. Wilde said the Board committed funds to the Magna Water Company, An Improvement District in January; and the sponsor is currently constructing Phase I of its secondary irrigation system. Some of the wells have not produced as much water as expected so the sponsor wants to build a pump station to utilize water from the Utah & Salt Lake Canal. The sponsor has requested an additional \$360,000 from the Board to help pay for additions to the project, higher pipeline prices and meters for each service connection. Staff recommended if the Board approved the request, the current contract be amended and the annual payments increased.

Steve Wilde said the Bear River Canal Company received committal of funds last month for its inverted siphon project, but the sponsor needs additional funds because the bids were higher than the cost estimate of the project. He explained some of the reasons for the increased costs. The request is for recommittal of funds since the contract has not been signed.

Dennis Strong explained the request from Mountain Regional Water Special Service District for a grant to purchase bond insurance, which will reduce the interest rate and save the district about \$3.9 million in interest payments over the bond's 30-year repayment period. He said the Board authorized a water treatment plant project for the district a few years ago, but the district will withdraw that request since it will be included in the \$32 million bond project. Ivan Flint gave a background of the project sponsor and talked about its proposed pipeline project to bring water from near Wanship to Park City.

Other Items

Director Anderson introduced David Brown from the Utah Rivers Council. Mr. Brown said he was covering the meeting for Erica Thoen, who is working on amendments to the Water Conservation Act. He said Merritt Frey replaced Zach Frankle as the executive director of the Council.

Dam Safety Amendments

Dennis Strong reviewed his proposed changes to the Board's current guidelines for funding dam safety projects and suggested modifications to the Utah Administrative Code. He explained how a dam qualifies for dam safety funding.

After considerable discussion and comments, Warren Peterson made the motion to authorize staff to make the changes to the guidelines and administrative code. Harold Shirley seconded the motion and the Board unanimously agreed. Norm Johnson clarified the motion by saying the changes must be submitted through the Administrative Rules process.

Board Training

Norm Johnson, Assistant Attorney General, reviewed a memo he prepared for the Board members regarding conflict of interest. He said Board members are covered under the Utah Public Officers' and Employees' Ethics Act and must follow the disclosure provisions. He encouraged Board members to disclose any conflict of interest in the Board meeting where the project sponsors are present and said they probably should not participate in the discussion of a project if they are a major stockholder or on the sponsor's board. He suggested Board members should make a written disclosure when they sign the application if they are a major stockholder.

After considerable discussion, Mr. Johnson encouraged the Board members to err on the side of caution and call him if they have questions. Sherm Hoskins suggested the Board members should re-read Mr. Johnson's memo. Everyone thanked Mr. Johnson for coming to the meeting and explaining the ethics act.

Director Anderson asked the Board members to let him know if they have training subjects they would like to discuss. He suggested the Board could have some type of training when time permits.

Warren Peterson commented the division has some impressive technical capabilities he would like to hear about and see. Some of the Board members said they want to be more involved in some of the special studies conducted in their areas.

Director Anderson talked about the community outreach program being sponsored by the Department of Natural Resources and encouraged everyone to look at the pumpkins that were carved by each division.

The briefing meeting adjourned at 12:45 p.m.

Unapproved
MINUTES
BOARD OF WATER RESOURCES MEETING
October 31, 2003

Auditorium
Department of Natural Resources Building
1594 West North Temple
Salt Lake City, Utah

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SUMMARY OF BOARD ACTIONS

1. The Minutes of the September 19, 2003 Board meetings were approved with suggested changes. page 1
2. The Board committed funds to the Porcupine Highline Canal Company project in the amount of \$112,000 (85%) to be purchased with annual payments of \$6,000 at 0% interest over approximately 19 years. page 1
3. Funds were committed to Trenton Town in the amount of \$1.304 million to be repaid in 25 years at 0% interest with annual payments of approximately \$55,000 with the stipulation that if the town has not settled the water supply component in 18 months that portion of the funds not used would be returned to the Board. page 2
4. The Center Creek Irrigation Company's contract was amended postponing the December 1, 2003 payment of \$13,048 until December 1, 2004. page 3
5. The Blanding Irrigation Company's D618 and D759 contracts were amended to postpone the December 1, 2003 payments in the amount of \$23,000 and \$12,000 until December 1, 2004 and making all remaining payments due one year later than presently required. page 3
6. The Beaver Bench Irrigation Company, Town of Altamont and the Summit County Service Area #3 projects were withdrawn from further consideration by the Board. page 4
7. The Magna Water Company, an Improvement District's contract was amended to provide an additional \$360,000 and to state the district will return the \$1.175 million at 1% interest over 25 years with annual payments of approximately \$53,400. page 5
8. The Bear River Canal Company's contract was amended to increase the Board's cost sharing from \$489,000 to \$656,000 and the \$656,000 to be returned with approximate annual payments of \$50,000 at 0% interest over 13 years. page 5
9. The Board granted bond insurance to the Mountain Regional Water Special Service District in the amount of \$350,000. page 6
10. The Board of Water Resources approved the 2004 Board meeting schedule (copy attached). page 6

THOSE PRESENT

The Utah BOARD OF WATER RESOURCES met in regular session on Friday, October 31, 2003 in the Auditorium of the Department of Natural Resources Building, 1594 West North Temple, Salt Lake City, Utah. Chair Riley presided over the 1:00 p.m. meeting.

BOARD MEMBERS PRESENT:

Paul Riley
Harold Shirley
Brad Hancock
Ivan Flint
George Harmond, Jr.
Paul McPherson
Warren Peterson
Bill Marcovecchio – absent

STAFF MEMBERS PRESENT:

D. Larry Anderson, Director
Dennis Strong, Deputy Director
Eric Millis, Asst. Director
Nancy Fullmer, Administrative Secretary
Randy Staker, Accountant
Steve Wilde, Chief, Investigations
Todd Adams, Chief, Hydrology and Computer Applications
Todd Stonely, Chief, River Basin Planning
Tom Cox, Engineer
Russell Hadley, Engineer
Gina Hirst, Engineer
Sara Larsen, GIS Supervisor
Marisa Egbert, Engineer
Geralee Murdock, Executive Secretary

OTHERS PRESENT:

Sherm Hoskins, Asst. Director, Department of Natural Resources
Jerry Olds, State Engineer
Jason Lillywhite, Ensign Engineering

Perry Spackman, Mayor, Trenton Town

Brian Deeter, J U B Engineers

OTHERS PRESENT CONT'D:

Allen Sweat, President, Center Creek Irrigation Co.

Ed Hansen, District Manager, Magna Water Co., An Improvement District

Don Olsen, District Engineer, Epic Engineering

Charles Holmgren, President, Bear River Canal Co.

Dan Davidson, Manager, Bear River Canal Co.

Ken Gardner, Gardner Engineering

Jim Carbine, General Manager, Mountain Regional Water Special Service District

Scott Green, CFO, Mountain Regional Water Special Service District

Doug Evans, Project Manager, Mountain Regional Water Special Service District

Laura D. Lewis, Principal, Lewis Young Robertson & Burningham, Inc.

Scott Robertson, Principal, Lewis Young Robertson & Burningham, Inc.

Alex Buxton, Vice-president, Zions Bank

MINUTES
BOARD OF WATER RESOURCES MEETING
October 31, 2003

Chair Riley called the Board of Water Resources meeting to order and welcomed everyone.

APPROVAL OF MINUTES

Warren Peterson made the motion to approve the minutes of the September 19, 2003 meetings with suggested changes. George Harmond, Jr. seconded the motion and it was agreed upon unanimously by the Board.

CHAIR'S REPORT

Warren Peterson reported the Yuba Dam has been rededicated and the coffer dam has been breached, the gate is closed and water storage is underway.

COMMITTAL OF FUNDS

#E062 Porcupine Highline Canal Co.

Gina Hirst reported the Porcupine Highline Canal Company requested financial assistance from the Board to replace a freestanding concrete section of irrigation canal, which traverses a steep and rocky hillside, with 48" polyethylene pipe. The project has been bid and costs are higher than authorized. The project cost is \$132,000 instead of the estimated \$100,000.

Chair Riley asked why the project is more than the estimate? Ms. Hirst said the company was hopeful the bids would come in lower. Brad Hancock made the motion to commit funds in the amount of \$112,000 (85%) to be purchased with annual payments of \$6,000 at 0% interest over approximately 19 years. Harold Shirley seconded the motion and it was unanimously agreed upon by the Board.

#L534 Trenton Town

Chair Riley introduced Perry Spackman, mayor and Brian Deeter, J U B Engineers. Russ Hadley reported Trenton Town received authorization to upgrade its culinary water system by drilling and equipping a well on the east side of Cache Valley, installing about six miles of transmission pipeline, and replacing old distribution pipelines with PVC pipe. Because of cost, easement, and water rights issues, the well and transmission pipeline are no longer part of the project.

The town is now requesting financial assistance to upgrade its culinary water system by replacing old distribution pipeline with PVC pipe large enough to take demands. Although the water supply component is not yet firmly established, one promising proposal is to connect Trenton's system to Lewiston's six miles to the northeast and install a pump station and pipeline to transport the water. While the best and most feasible way of increasing Trenton's supply is being determined, the town would like to proceed with the distribution portion of the project, which has been bid.

Although the cost of the water supply component of the project isn't presently known, all the funding agencies concur the total project cost estimate should stay the same as authorized (increased by the additional funding obtained) to cover any water supply option chosen. The total project is estimated at \$3.158 million.

Mr. Spackman said he wished the company were in a position to get the additional water at this time, however the proposed well didn't materialize. He said the other funding agencies suggested they proceed with the distribution system and get it done, and actively pursue an additional water source.

Mr. Deeter said the most promising option would be to connect to the town of Lewiston. Warren Peterson asked if funds were being committed at this meeting for the tie-in to Lewiston. Director Anderson said no. Funds were being committed so they would not have to return to the Board to ask for more. He said the funds being committed are for them to get a water supply whether it's connecting to Lewiston where it allows them to sell surplus water or whether it's a mechanism where they'll locate another place to drill a well. All of the funding agencies have agreed to commit the funds so the company can move forward with an entire project.

Harold Shirley made the motion to commit funds in the amount of \$1.304 million to Trenton Town to be repaid in 25 years at 0% interest with annual payments of approximately \$55,000 with the stipulation that if the town has not settled the water supply component in 18 months then that portion of the funds not used would be returned to the Board. Warren Peterson seconded the motion and it was agreed upon unanimously by the Board.

SPECIAL ITEMS

#D489 Center Creek Irrigation Co.

Chair Riley welcomed Allen Sweat, president. Steve Wilde reported in the mid-1980's the Board provided \$255,000 to the company to help install a pressurized agricultural irrigation system over 910 acres. Their final payment of \$13,048 is due December 1 of this year.

Last summer the sponsor made improvements to one of its four dams that operates on the Center Creek drainage and placed 100 feet of 10-inch polyethylene pipe inside the existing outlet and grouted the space between them. The new outlet pipe project cost about \$15,000. The company's initial plan was to assess its stockholders to pay for the project, but since it cost more

than the company planned on, it was deemed undesirable. The company is, therefore, requesting the December 1, 2003 payment to the Board be postponed one year until December 1, 2004.

Matt Lindon of the Dam Safety Section said the new polyethelene pipe installation looks good, however, they have not received the appropriate design drawings and as-builts. Staff is suggesting before the Board approves the company's request to defer the December 1 2003 payment for one year, it be affected only when the drawings Dam Safety needs are submitted and approved by December 1 of this year.

Mr. Sweat said the project was finished two weeks ago and that's probably why the plans have not been submitted to the state, however, the company's engineer has been in contact with Matt Lindon and the project was approved before construction began.

Paul McPherson made the motion, seconded by Brad Hancock, to amend the Center Creek Irrigation Company's contract postponing the December 1, 2003 payment of \$13,048 until December 1, 2004. The Board agreed unanimously.

#D618 Blanding Irrigation Company
#D759 Blanding Irrigation Company

Steve Wilde explained the Blanding Irrigation Company has two current agreements with the Board, one for a 1986 irrigation pipeline project (D618) and another for a mid-1990's pressurized sprinkler irrigation system (D759). The next payments (\$23,000 and \$12,000) on the 0% interest agreements are due December 1, 2003. Due to the severe drought in San Juan County and the company's almost total lack of crop production again this year, the company will have a difficult time making this year's payments to the Board, and requests a year's postponement.

George Harmond, Jr. made the motion to amend #D618 and #D759 Blanding Irrigation Company's contracts to postpone the December 1, 2003 payments in the amount of \$23,000 and \$12,000 until December 1, 2004 and making all remaining payments due one year later than presently required. Ivan Flint seconded the motion and the Board unanimously agreed.

#D918 Beaver Bench Irrigation Company

The Board authorized \$280,000 to the company to help replace its existing flood irrigation system with a pump-assisted pressurized system. Due to drought and the high cost of pumping, shareholder support for the project became contingent on the company obtaining an ASCS grant for a significant portion of the cost. Because the company tried without success the past several years to obtain a grant, it requested its application to the Board be deauthorized and withdrawn from further consideration.

#E012 The Town of Altamont

Altamont requested financial assistance to convert from ditch irrigation to piped, pressurized irrigation throughout town. Since the Community Impact Board voted to fund the project, staff recommends the application be withdrawn.

#E-045 Summit County Service Area #3

The company requested financial assistance to drill and equip a culinary well, install booster pumping equipment, and tie both into the existing water system with pipeline. When the Board's financial feasibility guideline was determined, the average monthly water payment would need to increase by about \$30. The sponsor felt such an increase would be unacceptable to its users and now intends to complete the project with its own funds; therefore requesting the application to the Board be withdrawn.

Harold Shirley made the motion to withdraw the Beaver Bench Irrigation Company, Town of Altamont, and the Summit County Service Area #3 projects from further consideration by the Board. Brad Hancock seconded the motion and it was unanimously agreed upon by the Board.

#E068 Magna Water Co., An Improvement District

Chair Riley introduced Ed Hansen, district manager; and Don Olsen, district engineer. Tom Cox reported the district is constructing Phase I of a secondary irrigation system, with plans to eventually expand the system to cover the entire district. The Board committed funds for a five acre-foot regulating pond, several shallow wells, about four miles of transmission pipeline, and enhancements to a wetlands area within the district.

The district has obtained grant funding from the Central Utah Water Conservancy District (CUWCD) and has installed nearly all the pipeline and drilled two wells, and is in the process of drilling a third well. They intend to put the regulating pond out to bid this fall.

The yield on the two drilled wells is much lower than anticipated, most likely due to several years of drought. In order to have a backup water source as well as adequate supply as additional phases are constructed, the district would like to build a pump station to utilize water from the Utah and Salt Lake Canal.

The district will be buying about twice the amount of land than needed for the first phase as the landowner is requiring purchase of the entire parcel. The extra land will be used in the future as a regulating pond site for additional phases.

With the changes to the project and higher-than-expected pipeline prices Phase I's cost has increased. The project cost has increased about \$400,000 and the Board's share will increase from 48% to 56% of the project cost. The district is, therefore, requesting additional funds to

cover the increased costs to complete Phase I and also to pay for meters for each service connection.

Mr. Hansen said the project has moved along very well; all of the large diameter pipe is installed and they are waiting for final negotiations on the property. Once that's taken care of they will be going out to bid for construction of the first phase of the pond. The district will proceed to install meters. All the large areas, schools, parks, churches will convert existing culinary water over to secondary water meter stations. Director Anderson commented the district will be supplying culinary water along with secondary water.

George Harmond, Jr. made the motion to amend Magna Water Company, an Improvement District's contract to provide an additional \$360,000 and to state the district will return the \$1.175 million at 1% interest over 25 years with annual payments of approximately \$53,400. Warren Peterson seconded the motion and the Board unanimously agreed.

#E097 Bear River Canal Co.

Chair Riley introduced Charles Holmgren, president, Dan Davidson and Ken Gardner, engineer. Gina Hirst reported the Board committed funds in September to help replace a steel flume truss structure conveying irrigation water over the Malad River, with an inverted siphon under the river. The company added a number of ancillary items to the project for maintenance and safety reasons, and hoped their cost would be absorbed by the committed cost estimate's contingency. The project has been bid since that time and the committed cost estimate is inadequate to cover the cost. The company, therefore, is requesting additional funds from the Board.

Mr. Holmgren said the company is ready to proceed with construction to replace the whole flume. Mr. Gardner added, after beginning the project they learned of some historical releases from Cutler that can double the capacity of the canal and could plug the drainage culverts. He said a 280 foot broad crested weir was created that will spill the excess water down into the Malad River, they also widened the trash racks, lengthened the bridge and added features to permit the trash racks to be raised. He said the siphon serves 66,000 acres and is the only source of water; they didn't want to take any chances for a failure of the siphon.

Ivan Flint made the motion to increase the Board of Water Resources cost sharing from \$489,000 to \$656,000 and the \$656,000 to be returned with approximate annual payments of \$50,000 at 0% interest over 13 years. Paul McPherson seconded the motion and the Board unanimously agreed.

#E117 Mountain Regional Water Special Service District

Chair Riley introduced Jim Carbine, general manager; Doug Evans, project manager; Scott Green, CFO; Laura Lewis, principal financial advisor; and Scott Robertson, principal financial advisor. Dennis Strong reported Mountain Regional Water Special Service District

covers an area of approximately 32 square miles in Summit County (Snyderville Basin) and consolidates culinary water services previously provided to various areas by a number of smaller water purveyors.

The district plans to issue one series of bonds for \$32.45 million to fund culinary water pipeline extensions to interconnect existing systems, purchase water rights, install a SCADA system and make other water system improvements. The district is requesting the Board provide a grant of \$350,000 to buy bond insurance.

Mr. Carbine said he appreciated staff's presentation and said this has been a real exciting endeavor for the district this past couple of years. He said they appreciate all the Board has done with the water companies in the region and feels with this type of reorganization a very solid system can be put in.

After considerable questions and answers, Ivan Flint made the motion to grant the Mountain Regional Special Service District \$350,000 for bond insurance. The insurance will reduce the interest rate about 0.5% and save the district approximately \$3.9 million in interest payments over the bond's 30-year repayment period. George Harmond, Jr. seconded the motion and it was unanimously agreed upon by the Board.

APPROVAL OF 2004 BOARD MEETINGS SCHEDULE

Director Anderson asked the Board to consider the proposed 2004 Board Meetings Schedule (copy attached). Harold Shirley made the motion to approve the 2004 Board Meetings Schedule as prepared. Paul McPherson seconded the motion and the Board agreed unanimously.

DIRECTOR'S REPORT

Director Anderson asked Jerry Olds, State Engineer, what the situation was with the Navajos. Mr. Olds said in August an agreement was signed with the Navajo Nation that both parties would enter into and participate in negotiations with regards to the reserved water right claims for the Navajo Tribe in San Juan County. He said their intent would be to sit down and be open and candid with them on our data and information regarding the Colorado River Compact. He said it has been difficult to make arrangements with Mr. Pollock of the tribe; hopefully discussions can begin within the next couple of months.

Mr. Anderson said Boyd Phillips had prepared a discussion and a list of water rights owned by the Board which is included in the Board folder. The State Engineer sent a letter to everyone who has unapproved filings asking them what they were going to do with those filings. Mr. Anderson asked the Board to look at the list of filings in their area so we could let Jerry Olds know which ones could be withdrawn.

Director Anderson asked Eric Millis to introduce Marisa Egbert, a new employee. Mr. Millis said she is a professional engineer working in the Water Education/Conservation and Use section under Eric Klotz. Ms. Egbert then introduced herself to the Board.

Director Anderson and Robert King attended a celebration at Hoover Dam on October 16th where the Secretary of the Interior signed all the documents relating to the Colorado River Quantification Settlement Agreement. Mr. Anderson said the implementation of the Interim Surplus Guidelines is a major success as far as the Colorado River Basin States are concerned.

Mr. Anderson said he included in the Board Folder a proposal to rename Lake Powell, Powell Lake. Bob Morgan, Department of Natural Resources Executive Director, wrote a letter to the USGS stating Utah was against this proposed name change and why.

NEXT BOARD MEETING

The next Board meeting will be held December 12, 2003 in conjunction with a Board/Division Christmas luncheon being held at the Lion House.

Meeting adjourned at 3:18 p.m.

Approved
MINUTES

BOARD OF WATER RESOURCES
BRIEFING MEETING

September 19, 2003

Division of Water Resources
Room 314
1594 West North Temple
Salt Lake City, Utah

BOARD OF WATER RESOURCES

Briefing Meeting
September 19, 2003

The Board of Water Resources held a briefing meeting on September 19, 2003, at 9:00 a.m. at the Division of Water Resources, Room 314, 1594 West North Temple, Salt Lake City, Utah.

The following people were in attendance:

BOARD MEMBERS

Paul Riley
Ivan Flint
Brad Hancock
Harold Shirley
Bill Marcovecchio
George Harmond, Jr.
Paul McPherson
Warren Peterson

STAFF MEMBERS

Larry Anderson
Dennis Strong
Eric Millis
Steve Wilde
Nancy Fullmer
Todd Adams

Chair Paul Riley called the briefing meeting to order and welcomed everyone. He asked Board member Paul McPherson to talk about the Utah State Fair since he serves on that board. Mr. McPherson said it was a good fair and the attendance was up about 24% from last year.

Chair's Report

Chair Riley reported on the meeting he attended on September 16 of the State Water Development Commission. He said Director Anderson gave excellent reports covering the Bear River Development Project and the Lake Powell Pipeline Project. Director Anderson said Dennis Strong gave the Bear River presentation, which was an update and cost estimate of the project.

Dennis Strong was asked to talk about the Bear River Project since some of the Board members were not familiar with it. He talked about the 1991 Bear River Development Act and the requirements given to staff. The new Board members were given copies of the Bear River Development Report. Mr. Strong also reported on the modifications to the project that were made in 1999. He said in 2002 the legislature passed a bill directing staff not to study potential reservoirs at Honeyville or Barrens. Staff is now working with the Weber Basin Water Conservancy District to possibly develop an agreement using Willard Bay to store some of the Bear River water. He showed a map of the project and pointed out the proposed reservoir sites and Willard Bay. Ivan Flint talked about some of the discussions he had with staff regarding the use of Willard Bay. He also mentioned some of the problems caused by the low water level in Willard Bay.

Director Anderson handed out copies of information he presented to the legislative committee regarding the proposed Lake Powell Pipeline Project. He said staff has been working on the project for about ten years, and Washington County Water Conservancy District is committed to constructing the project. The division contracted with the Bureau of Reclamation to look at sites for a pumping station at Lake Powell. Mr. Anderson reviewed the proposed project that will cost about \$354 million to deliver water to Washington County and the Kanab area, and an additional \$114 million to deliver water to the Cedar City area. He talked about the possibility of developing hydropower to help reduce some of the costs.

Director Anderson said the Board of Water Resources gave Flaming Gorge water rights to Washington County Water Conservancy District and Kanab City, and now Cedar City is requesting water from the Flaming Gorge water rights if any of the water rights are returned to the Board. The Board members discussed the water situation in the Cedar City area and the State Engineer's proposal regarding groundwater overdrafts.

Eric Millis was asked to report on the Natural Resources, Agriculture and Environment Interim Committee meeting he attended. He said the main topics were Wild and Scenic Rivers Designations and the State Engineer's Groundwater Management Issues. Copies of the information were given to the Board members.

Review of Items from Board Retreat

Dennis Strong said after reviewing the notes from the Board Retreat, he recommended the Board take action on six of the items. He suggested the Board give priority to the Quality Growth Communities and add them in the number two priority with municipal water projects. Director Anderson read the definition of Quality Growth Communities and the four broad areas that must be addressed. The Quality Growth Commission will decide which communities meet the criteria. Mr. Strong suggested the Board wait and see what the other water funding agencies decide to provide as incentives for Quality Growth Communities.

Mr. Strong said the second item was the suggestion that “replacement” (“R”) be added to the term operation and maintenance (O&M) that is used in the statement of projects the Board will not fund. He said the Board regularly funds replacement projects and he feels the Board does not need to add the term “replacement” to the guidelines. After considerable discussion about possibly requiring sponsors to set up reserve accounts, the Board members agreed not to add “replacement” to routine operation and maintenance projects they will not fund.

The third item was regarding increasing the percentage of full-time residents required for summer home developments in order to be considered for funding by the Board. Staff suggested the summer home requirement be that at least 50% of the residences be occupied full-time to qualify for consideration of Board funding. Mr. Strong said at one time the Board required 80% of the residences be occupied full-time, but the Board later changed it to 20%. After considerable discussion, Brad Hancock made a motion that the Board change its requirement to at least 50%. Harold Shirley seconded the motion, and the Board members agreed with the exception of Paul McPherson who voted no and Warren Peterson who had not arrived at the meeting. Mr. McPherson said he wanted the requirement to be 80% full-time residency; Mr. Hancock did not want to be too restrictive.

Mr. Strong said the fourth item was the suggestion to not fund projects for individuals. He recommended adding individuals and single families to the list of those not eligible for Board funding. After some discussion, Ivan Flint made the motion, seconded by George Harmond, to add that individuals and single families are not eligible for Board funding. The Board members unanimously passed the motion.

The fifth item to be discussed was omitting the word “rural” from the type of culinary projects the Board will fund in the Revolving Construction Fund. Staff has also suggested the maximum culinary project cost be increased from \$250,000 to \$500,000. After some discussion, Brad Hancock made the motion to omit the word “rural” and change the guideline to read “Culinary projects costing less than \$500,000 that involve mutual irrigation and water companies”. Paul McPherson seconded, and the motion was unanimously passed.

Mr. Strong said the sixth item was the suggestion to limit the length of time for authorized phased projects. The Board members said it was good to review the projects because things change, but they felt two years would not be long enough for the sponsors to construct the projects. Harold Shirley made a motion, seconded by Warren Peterson, that phased projects be authorized for a maximum period of six years. The Board members unanimously agreed.

Chair Riley reminded the Board members they did not take an action on the first two items previously discussed. Brad Hancock made a motion to add “and/or Quality Growth communities” to the second priority projects, as long as they are in parity with the other second priority projects. The motion was seconded by Bill Marcovecchio and unanimously passed by the Board.

The Board members determined they did not need to take an action on the second item regarding replacement projects. There was some discussion about how to reward sponsors who have reserve funds set aside.

Director Anderson said the changes to the Guidelines would have to go through the rulemaking process. He said staff would probably come back next month with another proposed rule change as it relates to interpretations to the Dam Safety Act. Mr. Anderson said, he would like the Board to have the option to use dam safety funds to build a replacement dam rather than upgrading an existing dam.

Water Funding Alternatives Task Force

Chair Riley asked Warren Peterson to report on the Water Funding Alternatives Report that was presented to the task force. The Board members were given a copy of the subcommittee’s report. Mr. Peterson gave a history of the Water Funding Alternatives Task Force and the subcommittee that was formed.

Mr. Peterson encouraged the Board members to read the Executive Summary. He reviewed part of the report and talked about the projected needs of the state water funding agencies for major water projects. He also discussed the list of Funding Alternatives. He said after the subcommittee looked at several options for sources of revenue to fund water projects, they determined the most economical source was to use the 1/16% sales tax that was already in place.

Mr. Peterson said the report was adopted by the task force with a motion that the report be duplicated and provided to the various legislators. Ivan Flint thanked Mr. Peterson and the subcommittee for the work they did. Chair Riley also thanked Mr. Peterson for the job he did.

Discussion of Projects

Steve Wilde reviewed the feasibility report for Centerfield Town. He said Dan Aubrey, one of the geologists at the division, was the project manager because of the well components of the project. Mr. Wilde pointed out the location of the proposed well on the map. Warren Peterson said he did not accompany staff on the investigation of the project. Mr. Wilde said the town would be receiving cost sharing funds from USDA Rural Development and the Community Impact Board, and representatives from both agencies had been invited to the Board meeting. There was a discussion about the water rights for the project. The town has funds set aside to purchase water rights.

Director Anderson informed the Board there were no changes in the Bear River Canal Company project that was authorized earlier in the year. The sponsor is requesting committal of funds but would not be attending the Board meeting. Harold Shirley said he would make the motion in the Board meeting since the project is located in Chair Riley's area.

The Pioneer Land and Irrigation Company is requesting committal of funds for its project which has not changed since authorization at the last Board meeting. The sponsor is anxious to receive the funds for the project.

Steve Wilde explained the request from Hooper Irrigation Company, which is now ready to proceed with construction of the regulating reservoir and pump station portion of its phase one project. Staff suggested the Board commit funds through an amendment to the sponsor's current agreement.

Dennis Strong explained the request from the City of South Jordan for a grant to buy bond insurance. Bill Marcovecchio said it is a good project and the money will be well spent.

Steve Wilde mentioned the New Application received from The Dammeron Corporation in Washington County.

Director Anderson explained the request for committal of funds for the operational cloud seeding program. The sponsors want to make sure the cost-sharing funds are available from the Board. Todd Adams said he would make the presentation at the Board meeting and talk about last year's program.

Minutes

Chair Riley asked if there were any corrections to the minutes of the previous Board meetings. Some of the Board members mentioned a few changes they would like made.

Other Items

Director Anderson handed out a proposed schedule for the 2004 Board meetings. He asked the Board members to review the dates so the schedule could be approved at the October Board meeting. The Board members discussed the proposed tours and meetings out of Salt Lake. Some of the Board members expressed an interest in learning about the water sources and systems for the Salt Lake Valley area.

Chair Riley said staff would be requesting approval from the Board members to publish the Bear River Basin Report. He said he had given staff his comments on the report.

The briefing meeting adjourned at noon.

Approved
MINUTES OF THE
BOARD OF WATER RESOURCES MEETING

September 19, 2003

Auditorium
Department of Natural Resources Building
1594 West North Temple
Salt Lake City, Utah

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SUMMARY OF BOARD ACTIONS

1. The Minutes of the August 7 and 8, 2003 meetings were approved with suggested changes. page 1
2. The Centerfield Town project was authorized in the amount of \$255,000 (10%) to be repaid in 25 years at 1% interest with annual payments ranging from approximately \$4,600 to \$24,200 which includes reserves. page 2
3. Funds were committed to the Bear River Canal Co. project in the amount of \$489,000 (80%) to be repaid with approximate annual payments of \$49,000 at 0% interest over ten years. page 2
4. The Board committed funds to the Pioneer Land and Irrigation Co. project in the amount of \$90,000 (75%) to be repaid with annual payments of \$4,700 at 0% interest over approximately 19 years. page 2
5. Funds were committed in the amount of up to \$150,000 with a maximum cost share of 50% with local sponsors for the 2003-2004 Operational Cloud Seeding Program. page 3
6. The Board gave final approval of the Bear River Basin Plan "Bear River Planning for the Future" to be distributed and published. page 3
7. The contract for the Hooper Irrigation Company was amended to provide 85% of the total cost of Phase I up to \$4.079 million with funds to be returned in 25 years at 3% interest with annual payments ranging from approximately \$171,000 to \$336,000. page 4
8. The Board granted the City of South Jordan funds in the amount of \$130,000 for bond insurance. page 4

THOSE PRESENT

The Utah BOARD OF WATER RESOURCES met in regular session on Friday, September 19, 2003 in the Auditorium of the Department of Natural Resources Building, 1594 West North Temple, Salt Lake City, Utah. Chair Riley presided over the 1:00 p.m. meeting.

BOARD MEMBERS PRESENT:

Paul Riley
Harold Shirley
Bill Marcovecchio
Brad Hancock
Ivan Flint
George Harmond, Jr.
Paul McPherson
Warren Peterson

STAFF MEMBERS PRESENT:

D. Larry Anderson, Director
Dennis Strong, Deputy Director
Eric Millis, Assistant Director
Nancy Fullmer, Administrative Secretary
Randy Staker, Accountant
Steve Wilde, Chief, Investigations
Todd Adams, Chief, Hydrology and Computer Applications
Todd Stonely, Chief, River Basin Planning
Ken Short, Engineer
Boyd Phillips, Engineer
Russell Hadley, Engineer
Tom Cox, Engineer
Ann Merrill, Engineer
Dan Aubrey, Geologist
Travis Douthit, GIS specialist
Lyle Summers, Economist
Geralee Murdock, Executive Secretary

OTHERS PRESENT:

Chris Hogge, Engineer, Weber Basin Water Conservancy District

OTHERS PRESENT CONT'D:

Mayor Darwin Jensen, City of Centerfield

Mrs. Darwin Jensen

John Iverson, Project Manager, Sunrise Engineering

Bonnie Carrig, U.S.D.A. Rural Development

Robert W. Penman, President, Hooper Irrigation Company

Kurt Fowers, Director, Hooper Irrigation Company

Lee Cammack, Project Manager J U B Engineers

Brad Marler, So. Jordan City Councilman, South Jordan City

Larry Ipson, Finance Director, South Jordan City

Jonathan Ward, Asst. V.P., Zions Bank

MEETING OF THE
BOARD OF WATER RESOURCES
September 19, 2003

Chair Riley welcomed everyone to the meeting.

APPROVAL OF THE MINUTES

Harold Shirley made the motion, seconded by Warren Peterson to approve the August 7 and 8, 2003 minutes with suggested changes. The Board agreed unanimously.

CHAIR'S REPORT

Director Anderson said this year the public heeded the call to conserve water. Many of the communities contacted said water use was down 10% over last year. Water use in the state as a whole was down 7%. He said the agricultural community has had the least drop in use, however, the public needs to be patted on the back for their effort in conserving water.

FEASIBILITY REPORT

#L547 Centerfield Town

Chair Riley introduced Mayor and Mrs. Darwin Jensen, and John Iverson of Sunrise Engineering. Steve Wilde reported Centerfield Town supplies culinary water to 375 residential and 21 commercial connections. The majority of the connections have access to pressurized secondary irrigation water, but the past few years only about 25% have been able to effectively use it due to drought-related water supply problems.

Centerfield is requesting financial assistance to improve both its culinary water and secondary irrigation systems. Culinary improvements will include a well, a 100,000 gallon holding tank with booster pumping station near the well, a 300,000 gallon storage tank, and pipeline, valve, and hydrant replacements/additions to the distribution system. Secondary system improvements will include an irrigation well and transmission pipeline. Technical assistance is being provided by Sunrise Engineering in Fillmore. The project is estimated to cost \$2.648 million; the request from the Board is 10% or \$255,000, \$1.35 million (51%) will be received from Rural Development, \$852,000 (32%) from the Community Impact Board and the town will provide \$191,000 (7%). Mr. Wilde asked Mayor Jensen if they had appeared before Rural Development and the CIB. Mr. Jensen said yes the funds from those agencies have been approved.

Mayor Jensen said they appreciated Dan Aubrey, Lyle Summers and Sunrise Engineering for their efforts. Chair Riley asked if the town anticipated difficulty in obtaining water rights.

Mayor Jensen said no, because water rights are available. He said this is a project that needs to be done. The town started saving towards this project as soon as the last project was completed. They have worked real hard to get to this point.

Warren Peterson asked Bonnie Carrig of Rural Development if the RDA funds were available now. Ms. Carrig said yes, the application was approved and funds have been committed. Chair Riley asked if funds were available for purchasing the water rights. Mr. Iverson of Sunrise Engineering said the town has \$40,000 earmarked to purchase the water rights.

Warren Peterson asked Mayor Jensen and Mr. Iverson if there was any cooperative work taking place between the Centerfield and Gunnison since the two communities are so close. They said there was an interconnect on the culinary system so if one system broke down the other town could be partially fed from its system. Mr. Peterson said he liked the fact the town had saved \$191,000 towards the project and the fact there's cooperation between the two communities to help each other's needs.

Mr. Peterson made the motion to authorize the Centerfield Town project in the amount of \$255,000 (10%) to be repaid in 25 years at 1% interest with annual payments ranging from approximately \$4,600 to \$24,200 which includes reserves. Bill Marcovecchio seconded the motion and the Board agreed unanimously.

COMMITTAL OF FUNDS

#E097 Bear River Canal Co.

Steve Wilde reported in January, 2003, the Board authorized \$489,000 to replace a steel flume truss structure conveying irrigation water over the Malad River with an inverted siphon under the river. Harold Shirley made the motion to commit funds to the Bear River Canal Co. in the amount of \$489,000 (80%) to be repaid with approximate annual payments of \$49,000 at 0% interest over ten years. George Harmond, Jr. seconded the motion and it was unanimously agreed upon by the Board.

#E107 Pioneer Land and Irrigation Co.

Steve Wilde reported in August the Board authorized \$90,000 for the Pioneer Land and Irrigation Co. project. The company is requesting financial assistance to install a new irrigation pump station facility approximately 200 feet upstream from its existing pump on the Weber River. The project is estimated to cost \$120,000. Ivan Flint made the motion to commit funds in the amount of \$90,000 (75%) to be repaid with annual payments of \$4,700 at 0% interest over approximately 19 years. Paul McPherson seconded the motion and the Board agreed unanimously.

APPROVAL OF CLOUD SEEDING FUNDS

Todd Adams explained the Division's cloud seeding program to the Board and said it is time to again ask the Board for a commitment of \$150,000 from the Revolving Construction Fund with a maximum contribution of 50% for the 2003-2004 Operational Cloud Seeding Program. Director Anderson explained the Division has authorization from the Legislature to use up to \$150,000 from the Revolving Construction Fund for cloud seeding.

Warren Peterson made a motion to commit funds in the amount of up to \$150,000 with a maximum cost share of 50% with local sponsors for the 2003-2004 Operational Cloud Seeding Program. Bill Marcovecchio seconded the motion and it was unanimously agreed upon by the Board.

FINAL APPROVAL OF THE BEAR RIVER BASIN PLAN

Eric Millis said several weeks ago the Board was sent a copy of the "Bear River Basin Planning for the Future" report which is the first of the rewrites of the basin plans. It is staff's intent to go back and update these basin plans that were completed in 2001. Mr. Millis said Ken Short, the principal author and Todd Stonely, manager of the River Basin Planning Section were the principal staff members involved. Chair Riley also spent a lot of time giving comments and attending meetings with the staff. We are requesting the Board give approval so the plan can be published and distributed to the water users. Ivan Flint made the motion to give approval to staff to publish and distribute the "Bear River Basin Planning for the Future" report. Harold Shirley seconded the motion and it was unanimously agreed upon by the Board.

SPECIAL ITEMS

#E060 Hooper Irrigation Company

Chair Riley introduced Robert W. Penman, president; Kurt Fowers, director; and Lee Cammack, engineer. Russ Hadley reported the Board authorized a four-phased pressurized irrigation system to serve agricultural and residential users. When the overall project is completed, about 6,000 acres of farms and 2,400 acres of residences will be under pressurized irrigation; the company's remaining 4,000 acres in the Taylor and West Weber areas, plan to remain a ditch irrigation system.

The pipeline portion of the project's first phase is nearly complete. When the Board committed funds for the pipeline portion it was informed the pipe would ultimately be tied to a regulating reservoir and pump station. The company had not yet procured the land on which those components would be built, however, so funds were not committed to them.

The company is now ready to proceed with construction of the 28-acre-foot, impervious membrane-lined regulating reservoir, and 640 horsepower pump station, and is requesting the Board commit funds because these features are integral with the pipeline.

Staff suggests the funds be made available through an amendment to the current agreement with the new costs added and the Board continuing to provide 85% cost sharing at 3% interest.

Mr. Penman said they were on schedule with the installation of the pipe and hope to obtain the funds so the reservoir can be built and operating next spring. After considerable discussion, Ivan Flint made the motion to amend the Hooper Irrigation Company contract to provide 85% of the total cost of Phase I up to \$4.079 million with funds to be returned in 25 years at 3% interest with annual payments ranging from approximately \$171,000 to \$336,000. George Harmond, Jr. seconded the motion and the Board agreed unanimously.

#E114 City of South Jordan

Chair Riley introduced Brad Marler, city councilman; and Larry Ipson, finance director. Dennis Strong reported South Jordan City is planning to issue a series of bonds for \$23.2 million to fund culinary water pipeline extensions, pressure reducing valves, storage tanks, water meters, a SCADA system, and other water system improvements, and is requesting the Board grant funds for bond insurance. The insurance will reduce the interest rate about 0.3% and save the city approximately \$775,000 in interest payments over the bond's 20-year repayment period.

Mr. Marler asked the Board to consider the proposal. He said the city is trying to upgrade many many services that should have been upgraded for many years. This proposal will help them to accomplish this.

Bill Marcovecchio said he had discussed this with Scott Robertson and feels this is a good use of money, and made the motion to grant the City of South Jordan \$130,000 for bond insurance. Brad Hancock seconded the motion and the Board agreed unanimously.

DIRECTOR'S REPORT

Director Anderson said the Division has several new staff members and asked Eric Millis to introduce two of them. Mr. Millis said at the end of June the Division hired Ann Merrill and Travis Douthit. Ann is a civil engineer in the Division's Hydrologic and Computer Application Section working for Todd Adams. Travis is a geographic information systems or GIS expert and is working in the Technical Services Section under Eric Edgley. Travis and Ann both gave the Board some background information about themselves. Director Anderson said staff is pleased to have them both working for the Division.

Director Anderson referred the Board to a memo in the Board folder to Bob Morgan regarding Wild and Scenic River designations. The memo suggests questions that ought to be addressed as Wild and Scenic River designations are considered. He said Val Payne and John Harja of the Department of Natural Resources are working with the BLM and Forest Service and

will hopefully get answers to these questions. If not then some other method needs to be taken to make sure Utah's water resources are available to meet our future water needs.

Chair Riley asked if the *Miccosukee Tribe of Indians v. South Florida Water Management District* case would have any impact on our interbasin transfers. Director Anderson said there is a high probability it would. He said water agencies in the west are hoping this case will be appealed. Director Anderson said the Utah Attorney General was a signator to a letter requesting this case be reviewed and overturned by the U.S. Supreme Court.

Director Anderson briefed the Board on the meetings being held in regard to California's Quantification Settlement agreement.

Meeting adjourned at 2:40 p.m.

